DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This letter of offer ("**Letter of Offer**") is sent to you as an Equity Shareholder of Adi Finechem Limited (the **"Target Company"**). If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer / the Registrar to the Offer. In case you have recently sold your Equity Shares in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

FIH MAURITIUS INVESTMENTS LTD
("Acquirer")
A private company limited by shares incorporated under the Mauritius Companies Act, 2001
Regd. Office: Level 1, Maeva Tower, Cybercity, Ebene, Republic of Mauritius
(Tel: +2304643040/3031, Fax: +2304681930)

ALONG WITH

FIH PRIVATE INVESTMENTS LTD
("Person Acting in Concert"/ "PAC")
A private company incorporated under the Mauritius Companies Act, 2001
Regd. Office: Level 1, Maeva Tower, Cybercity, Ebene, Republic of Mauritius
(Tel: +2304643040/3031, Fax: +2304681930)

MAKES A CASH OFFER AT A PRICE OF ₹ 212 (RUPEES TWO HUNDRED AND TWELVE ONLY) ("OFFER PRICE") PER FULLY PAID UP EQUITY SHARES OF ₹ 10 EACH OF THE TARGET COMPANY ("EQUITY SHARES") TO ACQUIRE UP TO 3,586,440 EQUITY SHARES REPRESENTING 26% OF THE PAID UP SHARE CAPITAL OF THE TARGET COMPANY ON A FULLY PAID UP AND DILUTED BASIS ("OFFER SIZE") UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED ("SEBI (SAST) REGULATIONS") FROM THE EQUITY SHAREHOLDERS OF

ADI FINECHEM LIMITED ("TARGET COMPANY")

A public limited company incorporated under the Companies Act, 1956

Regd. Office: 1st Floor, 2, Sigma Corporates, Behind HOF Living, Sindhu Bhavan Road, Off S.G. Road, Ahmedabad, Gujarat-38005 (Tel: 079-29701675, Email ID: cs@adifinechem.com ; Website: www.adifinechem.com)

1. This Offer (as defined hereinafter) is made by the Acquirer and PAC pursuant to, and in compliance with, the provisions of Regulations 3(1) and 4 of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As of the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and PAC, there are no statutory / regulatory required by the Acquirer and PAC to complete this Offer. However, in case any statutory approvals are required by the Acquirer at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals. The Acquirer shall complete all procedures relating to this Offer within 10 (Ten) Working Days from the date of closure of the Tendering Period to those Equity Shareholders whose share certificates and/ or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
   In case of delay / non-receipt of any approval, including any statutory approval which may be required by the Acquirer at a later date, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Equity Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
   The Acquirer will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are not granted. In case of such event, the Acquirer shall have the right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations.
   The Acquirer can revise the Offer Price or the Offer Size at any date prior to the commencement of the last three Working Days prior to the opening of the Tendering Period (as defined hereinafter). Any such upward revision would be informed by way of the Offer Opening Public Announcement (as defined hereinafter) in the same newspapers and editions in which the Detailed Public Statement (as defined hereinafter) had appeared. The revised price payable pursuant to such revision of the Offer Price would be payable by the Acquirer and/or PAC, as applicable for all the Equity Shares validly tendered during the Tendering Period.
5. **There has been no competing offer as on the date of this Draft Letter of Offer.**
6. **If there is a competing offer, the open offers under all subsisting bids will open and close on the same date.**

7. A copy of the Public Announcement (as defined hereinafter), the Detailed Public Statement and the Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ICICI Securities Limited SEBI Regn. No. INM000011179 ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, Maharashtra, India Tel: +91 22 2288 2460/2288 2470, Fax: +91 22 2282 6580 Email ID: adi.openoffer@icicisecurities.com **Contact Person:** Mr. Govind Khetan / Mr. Amit Joshi	**Link Intime India Private Limited** SEBI Reg No: INR000004058 C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078; Tel. No.: +91-22-6171 5400; Fax No.: +91-22-2596 0329; Email id: afcl.offer@linkintime.co.in; **Contact Person**: Mr. Ganesh Mhatre

The Schedule of major activities under this Offer is as follows:

Activity	Original Dates
Date of Public Announcement (PA)	Wednesday, November 4, 2015
Date of publication of the Detailed Public Statement (DPS) in the newspapers	Monday, November 9, 2015
Date of filing the Draft Letter of Offer with SEBI	Wednesday, November 18, 2015
Last date for a competitive bid#	Thursday, December 03, 2015
Date of receipt of SEBI's observations on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Thursday, December 10, 2015
Identified Date*	Tuesday, December 14, 2015
Letter of Offer to be dispatched to Equity Shareholders	Monday, December 21, 2015
Last date for revising the Offer Price/ Size of the Offer	Tuesday, December 22, 2015
Last date by which the committee of the independent directors of the Target Company shall give its recommendation	Monday, December 28, 2015
Date of publication of Offer Opening Public Announcement	Tuesday, December 29, 2015
Date of commencement of Tendering Period (Offer Opening Date)	Wednesday, December 30, 2015
Date of expiry of Tendering Period (Offer Closing Date)	Tuesday, January 12, 2016
Last date of communicating rejection / acceptance and payment of consideration	Wednesday, January 27, 2016
Last date of publication of post-Offer advertisement	Wednesday, February 03, 2016
Last date for submission of final report of SEBI	Wednesday, February 03, 2016

#There has been no competing offer as of the date of this Draft Letter of Offer.

** The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom the Letter of Offer would be mailed. It is clarified that all the equity shareholders of the Target Company (registered or unregistered) of the Equity Shares (except the Acquirer and PAC) are eligible to participate in this Offer at any time prior to the Offer Closing Date. It is clarified that all the equity shareholders of the Target Company (registered or unregistered) of the equity shares of the Target Company (except the Acquirer, PAC and Sellers) are eligible to participate in this Offer at any time prior to the closure of this Offer.*

RISK FACTORS

Given below are the risk factors relating to the Offer and the probable risks involved in associating with the Acquirer and PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by an Equity Shareholder in this Offer, but are merely indicative. The Equity Shareholders are advised to consult their stockbrokers or legal, financial, tax or investment consultants, if any, for analyzing all the risks with respect to their participation in this Offer and related sale and transfer of Equity Shares of the Target Company. For capitalized terms used herein please refer to the Definitions set out on page nos. 7-9 of this Draft Letter of Offer.

A. Risk factors relating to the transaction

1. The consummation of the acquisition of the Sale Shares by the Acquirer, as envisaged under the SPA, is subject to satisfaction of all the terms and conditions of the SPA including but not limited to completion of this Offer.

B. Risk factors relating to the Offer

1. As of the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and PAC, there are no statutory / regulatory approvals required by the Acquirer and PAC to complete this Offer. If at a later date, any other statutory or regulatory or other approvals / no objections are required, the Offer would become subject to receipt of such other statutory or regulatory or other approvals / no objections.

2. The Offer is an offer to acquire not more than 3,586,440 Equity Shares, representing 26% of the Share Capital, from the Equity Shareholders. Where the number of Equity Shares offered for sale by the Equity Shareholders is more than the Equity Shares agreed to be acquired by the Acquirer and the PAC, the Acquirer and the PAC shall accept the offers received from the Equity Shareholders on a proportionate basis in consultation with the Manager to the Offer, in accordance with the SEBI (SAST) Regulations. We cannot assure you that all Equity Shares validly tendered by the Equity Shareholders in the Offer will be accepted, in the event the number of Equity Shares tendered exceeds 26% of the Share Capital of the Target Company.

3. As of the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and PAC, there are no statutory / regulatory required by the Acquirer and PAC to complete this Offer. In the event that either: (a) regulatory or statutory approvals, if any are not received in time, (b) there is any order of a governmental authority or litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer/PAC from performing its obligations hereunder, or (c) SEBI instructing the Acquirer/PAC not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer or the Offer may even be aborted (if on account of (c) above). Consequently, the payment of consideration to the Equity Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirer/PAC may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer/PAC, grant an extension for the purpose of completion of the Offer subject to the Acquirer/PAC agreeing to pay interest to the validly tendering Equity Shareholders.

4. The tendered Equity Shares will lie to the credit of a designated escrow depository account to the extent they are in dematerialized form and/or in physical form as the case may be and the documents relating to the tendered Equity Shares would be held in trust by the Registrar to the Offer, till the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares and the Equity Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer notwithstanding delay in acceptance of the Equity Shares in this Offer and dispatch of payment consideration. This may restrict the ability of such Equity Shareholders to take advantage of any favourable price movements. Accordingly, the Acquirer and the PAC make no assurance with respect to the market price of the Equity Shares before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Equity Shareholders on whether or not to participate in this Offer. It is understood that the each Equity Shareholder will be solely responsible for its decision regarding its participation in this Offer.

5. Equity Shares, once tendered through the Form of Acceptance-cum-Acknowledgement in the Offer, cannot be withdrawn by the Equity Shareholders during the Tendering Period notwithstanding delay in acceptance of the Equity Shares in this Offer

and dispatch of payment consideration.

6. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for statements made otherwise than in this Draft Letter of Offer or the Public Announcement or the DPS or in the post Offer advertisement or any corrigendum or in the advertisement or any materials issued by or at the instance of the Acquirer and the PAC (excluding all information pertaining to the Target Company and Sellers) and anyone placing reliance on any other source of information (not released by the Acquirer, the PAC, or the Manager to the Offer) would be doing so at his/her/their own risk.

7. NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis

8. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Draft Letter of Offer; resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PAC or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

9. The Equity Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the PAC do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

C. Risk factors associated with the Acquirer and the PAC

1. The Acquirer and the PAC make no assurance with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company nor do they make any assurance with respect to the market price of the Equity Shares before, during or upon the completion of this Offer. Each of the Acquirer and the PAC disclaim any responsibility with respect to any decision by the Equity Shareholders on whether or not to participate in this Offer.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to “Rs.”/“INR”/”₹” are to Indian Rupee(s), the official currency of India. Throughout this Draft Letter of Offer, all figures have been expressed in “million, thousand or lakh” unless otherwise specifically stated. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

All the data presented in USD in this Draft Letter of Offer have been converted into INR for purpose of convenience translation. The conversion has been assumed at the rate as identified along with such financial information in this Draft Letter of Offer.

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DEFINITIONS/ABBREVIATIONS

S No.	Particulars	Details / Definition
1.	Acquirer	FIH Mauritius Investments Ltd, a private company limited by shares under the Mauritius Companies Act, 2001 in Mauritius and having its registered office at Level 1, Maeva Tower, Cybercity, Ebene, Republic of Mauritius.
2.	ASE	Ahmedabad Stock Exchange
3.	Bimal Group	Collectively means: a) Mr. Bimalbhai Dashrathbhai Parikh; b) Bimalbhai Dashrathbhai Parikh- HUF (Karta Bimalbhai Dashrathbhai Parikh); c) Mrs. Mamtaben Bimalbhai Parikh; d) Dashrath Jagmohandas Investments Private Limited; e) Mr. Priyam B Parikh; and f) Ashmak Investments Private Limited
4.	BSE	BSE Limited
5.	CDSL	Central Depository Services (India) Limited
6.	Companies Act	Companies Act, 2013, and/or the Companies Act, 1956 (to the extent applicable and not repealed)
7.	DPS/Detailed Public Statement	The Detailed Public Statement, published on behalf of the Acquirer and the PAC in the newspapers, filed with the BSE, NSE and SEBI and sent to the Target Company and ASE on Monday, November 9, 2015.
8.	DP	Depository Participant
9.	Draft Letter of Offer	This draft letter of offer filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
10.	EBITDA	Earnings Before Interest, Tax and Depreciation
11.	EPS	Earnings Per Equity Share, for the period under reference and annualized
12.	Equity Shareholders	The equity shareholders of the Target Company, other than the Acquirer and PAC.
13.	Equity Shares	Fully paid up equity shares of the Target Company having a face value of ₹ 10 (Two) each
14.	Escrow Agent / Escrow Bank	Kotak Mahindra Bank Limited, a banking corporation incorporated under the Companies Act and having one of its branch office at Mittal Court, Nariman Point, Mumbai, India.
15.	FII	Foreign Institutional Investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014 , as amended
16.	FIPB	Foreign Investment Promotion Board
17.	Form of Acceptance-cum-Acknowledgment	The form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer
18.	FPI	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, registered with SEBI under applicable laws in India.
19.	FY	Financial year
20.	GAAP	Generally Accepted Accounting Principles
21.	Hemant Group	Collectively, shall mean: a) Mr. Hemant Navinchandra Shah; b) Mr. Rohan Hemant Shah; c) Hemant N. Shah HUF (Karta Hemant N. Shah); d) Navichandra K. Shah HUF (Karta Hemant N. Shah); and e) Meena Hemant Shah
22.	Identified Date	Tuesday, December 14, 2015, i.e. the date falling on the 10th (tenth) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Equity Shareholders to whom the Letter of Offer shall be sent
23.	Income Tax Act	The Income Tax Act, 1961, as amended
24.	Letter of Offer/LOF	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
25.	Listing Agreement	Equity Listing Agreement with each of the stock exchanges in India, as amended from time to time

S No.	Particulars	Details / Definition
26.	Merchant Banker/ Manager to the Offer/I-Sec	ICICI Securities Limited having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India.
27.	Nahoosh Group	Collectively means: a) Mr. Nahoosh J. Jariwala; b) Harihar Mfg. & Trading Private Limited; c) PCD Investment Private Limited; d) UKM Investment Private Limited; e) Dashbina Investments Private Limited; and f) Padmaja E Commerce Private Limited
28.	NEFT	National Electronic Funds Transfer
29.	NSDL	National Securities Depository Limited
30.	NRIs	Non Resident Indians and persons of Indian origin residing abroad
31.	NSE	National Stock Exchange of India Limited
32.	OCBs	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
33.	Offer/Open Offer	Open offer being made by the Acquirer along with the PAC to the Equity Shareholders of the Target Company, to acquire up to 3,586,440 Equity Shares at a price of ₹ 212 (Rupees Two Hundred and Twelve) per Equity Share
34.	Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period to be made on behalf of the Acquirer and PAC at least one Working Day prior to the commencement of Tendering Period
35.	Offer Period	Period commencing from November 4, 2015 (the date of the Public Announcement) till the date on which the payment of consideration to the Equity Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be
36.	Offer Size	3,586,440 Equity Shares, representing 26% (Twenty Six percent) of the Share Capital
37.	PA/Public Announcement	Announcement of the Offer made on behalf of the Acquirer and the PAC, dated Wednesday, November 4, 2015 and filed with the BSE, NSE and ASE on Wednesday, November 4, with SEBI and the Target Company on Thursday, November 5, 2015.
38.	PAC	FIH Private Investments Ltd, a private company incorporated under Mauritius Companies Act, 2001, and subsequent amendments and re-enactment thereto, being a person acting in concert with the Acquirer for the purpose of the Offer.
39.	PAN	Permanent Account Number
40.	PAT	Profit After Tax
41.	RBI	Reserve Bank of India
42.	Registrar to the Offer	Link Intime India Private Limited having its address at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) Mumbai 400078
43.	Sale Shares	6,160,083 Equity Shares
44.	SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
45.	SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
46.	SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, as amended
47.	SEBI	Securities and Exchange Board of India
48.	SEBI Act	SEBI Act, 1992, as amended

S No.	Particulars	Details / Definition
49.	Sellers	Collectively means: a) Mr. Utkash Bhikhoobhai Shah; b) Mr. Raj Bhikhoobhai Shah; c) Mr. Sukoon Vipoolbhai Shah; d) Mrs. Radhika U. Shah; e) Mr. Aadarsh U. Shah; f) Mr. Bimalbhai Dashrathbhai Parikh; g) Bimalbhai Dashrathbhai Parikh- HUF (Karta Bimalbhai Dashrathbhai Parikh); h) Mrs. Mamtaben Bimalbhai Parikh; i) Dashrath Jagmohandas Investments Private Limited; j) Shri Priyam B Parikh; k) Ashmak Investments Private Limited; l) Mr. Hemant Navinchandra Shah; m) Mr. Rohan Hemant Shah; n) Hemant N. Shah HUF (Karta Hemant N. Shah); o) Navichandra K. Shah HUF (Karta Hemant N. Shah); p) Meena Hemant Shah; q) Mr. Nahoosh J. Jariwala; r) Harihar Mfg. & Trading Private Limited; s) PCD Investment Private Limited; t) UKM Investment Private Limited; u) Dashbina Investments Private Limited; and v) Padmaja E Commerce Private Limited
50.	Seller Groups	Collectively means (i) the Utkarsh Group, (ii) the Nahoosh Group, (iii) the Bimal Group, and (iv) the Hemant Group.
51.	Share Capital	The issued and paid-up equity share capital of the Target Company, on a fully diluted basis
52.	SPA	Share Purchase Agreement dated November 4, 2015 entered into between the Acquirer, PAC, the Target Company and the Sellers.
53.	Special Depository Account	The special depository escrow account opened pursuant to the Offer with NSDL for receiving Equity Shares tendered pursuant to the Offer
54.	Target Company	Adi Finechem Limited, a public limited company incorporated under the Companies Act having its registered office at 1st Floor, 2, Sigma Corporates, Behind HOF Living, Sindhu Bhavan Road, Off S.G. Road, Ahmedabad, Gujarat- 38005
55.	Tendering Period	Wednesday, December 30, 2015 to Tuesday, January 12, 2016
56.	Utkarsh Group	Collectively, shall mean: a) Mr. Utkash Bhikhoobhai Shah; b) Mr. Raj Bhikhoobhai Shah; c) Mr. Sukoon Vipoolbhai Shah; d) Mrs. Radhika U. Shah; and e) Mr. Aadarsh U. Shah
57.	Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai.

Note: All terms beginning with a capital letter used in this Draft Letter of Offer, and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations.

1 DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER, ICICI SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 18, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2 DETAILS OF THIS OFFER

2.1 Background of this Offer:

2.1.1 This Offer is a mandatory offer, being made by the Acquirer and the PAC to the Equity Shareholders under Regulations 3(1) and 4 of the SEBI (SAST) Regulations. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations and is being made as a result of an agreement for direct substantial acquisition of Equity Shares and voting rights, accompanied with a change in control of the Target Company, pursuant to the SPA.

2.1.2 The Acquirer and PAC have entered into an SPA on November 4, 2015 with the Sellers and the Target Company for collective acquiring 6,160,083 Equity Shares ("**Sale Shares**") constituting approximately 44.66% of the Share Capital of the Target Company at the price of ₹ 212 (Rupees Two Hundred and Twelve) per Sale Share. Neither the Acquirer nor the PAC holds any Equity Shares as on the date of this Draft Letter of Offer. The acquisition of the Sale Shares under the SPA will result in a change in control in the Target Company.

2.1.3 The salient features of the SPA, are as follows:

a) The Acquirer and PAC have agreed to acquire the Sale Shares at a price of ₹ 212 (Rupees Two Hundred and Twelve) per Sale Share, payable in cash.

b) The sale and purchase of the Sale Shares, as envisaged under the SPA, is conditional on the fulfillment of all the conditions as set out under the SPA. Under the SPA, the Acquirer and the PAC have the right to waive the satisfaction of the conditions precedent and continue with the closing and acquisition of the Sale Shares from the Sellers prior to the completion of the Offer.

c) As per the terms of the SPA, the Sellers have the ability to undertake *inter-se* transfer amongst themselves after the execution date of the SPA i.e. November 4, 2015, provided that such Sellers complete such transfer within 30 (Thirty) days from the date of execution of the SPA i.e. November 4, 2015. Further there will be no change in the number of Sale Shares proposed to be acquired by the Acquirer and PAC under the SPA, post any *inter-se* transfer.

d) The shareholding pattern of each of the Seller Groups as on the Completion Date *(as defined hereinafter*) will be as follows:

Sr. No	Seller Group	Shareholding as on Completion Date
1.	Utkarsh Group	3.99%
2.	Nahoosh Group	7.25%
3.	Bimal Group	2.94%
4.	Hemant Group	3.66%
	Total	**17.83%**

e) Upon the completion of the transactions contemplated under the SPA, some of the Sellers will cease to act as promoters of the Target Company in accordance with Regulation 31A of the SEBI Listing Regulations.

2.1.4 PAC i.e. FIH Private Investments Ltd shall in no event acquire Equity Shares of the Target Company under the SPA or otherwise in excess of 9.99% of the equity share capital of the Target Company, as per the investment limits stipulated under the SEBI (Foreign Portfolio Investments) Regulations, 2014.

2.1.5 The closing date under the SPA is 1 (One) business day after the date of completion of payment by the Acquirer and PAC to the Equity Shareholders who have tendered their Equity Shares pursuant to the Offer (subject to the satisfaction of certain conditions as set out under the SPA), but no later than 5 (Five) months from the date of the execution of the SPA i.e. November 4, 2015 or such other date as mutually agreed by the parties to the SPA in writing ("**Completion Date**").

2.1.6 The details of the Sellers, under the SPA, are set out below:

Sr No.	Name	Part of Promoter Group (Yes / No)	Details of shares / voting rights held by the selling shareholders			
			Pre Transaction		Post Transaction	
			Number*	%*	Number	%
1	Mr. Utkarsh Bhikhoobhai Shah	Yes	2,384,816	17.29%	390,000	2.83%

2	Mr. Raj Bhikhoobhai Shah	Yes	510,775	3.70%	80,000	0.58%
3	Mr. Sukoon Vipoolbhai Shah	Yes	510,819	3.70%	80,000	0.58%
4	Mrs. Radhika U. Shah	Yes	-	-	-	-
5	Mr. Aadarsh U. Shah	Yes	-	-	-	-
6	Mr. Bimalbhai Dashrathbhai Parikh	Yes	872,128	6.32%	358,536	2.60%
7	Bimal Dashrathbhai Parikh – HUF	Yes	310,383	2.25%	Nil	Nil
8	Mrs. Mamtaben Bimalbhai Parikh	Yes	302,560	2.19%	Nil	Nil
9	Dashrath Jagmohandas Investments Private Limited	Yes	43,560	0.32%	43,560	0.32%
10	Mr. Priyam B Parikh	Yes	4,356	0.03%	Nil	Nil
11	Ashmak Investments Private Limited	Yes	2,904	0.02%	2,904	0.02%
12	Mr. Hemant Navinchandra Shah	Yes	1,279,687	9.28%	405,000	2.94%
13	Mr. Rohan Hemant Shah	Yes	304,856	2.21%	100,000	0.72%
14	Hemant N. Shah HUF (Karta Hemant N. Shah)	Yes	-	-	-	-
15	Navichandra K. Shah HUF (Karta Hemant N. Shah)	Yes	-	-	-	-
16	Mrs. Meena Hemant Shah	Yes	-	-	-	-
17	Mr. Nahoosh J. Jariwala	Yes	-	-	-	-
18	Harihar Manufacturing and Trading Private Limited	Yes	767,201	5.56%	767,201	5.56%
19	PCD Investment Private Limited	Yes	663,019	4.81%	Nil	Nil
20	UKM Investment Private Limited	Yes	663,019	4.81%	232,799	1.69%
21	Dashbina Investments Private Limited	Yes	-	-	-	-
22	Padmaja E Commerce Private Limited	Yes	-	-	-	-
	Total		**8,620,083**	**62.49%**	**2,460,000**	**17.83%**

***Note**: Equity Shares with the same folio names have been added together in respect of the shareholding of the respective Sellers as mentioned in the table above.

Note: As per the terms of the SPA, the Sellers, listed above have the ability to undertake *inter-se* transfers amongst themselves after execution of the SPA, provided that such Sellers give notice to the Acquirer of the details of such transfer within 30 (Thirty) days from the date of execution of the SPA. Further, there will be no change in the number of Equity Shares acquired by the Acquirer under the SPA, post any *inter-se* transfer.

2.1.7 Simultaneous with the execution of the SPA, the following agreements have been executed:

a) a shareholders' agreement amongst the Acquirer, PAC, the Target Company and (i) Mr. Nahoosh J. Jariwala, (ii) Harihar Mfg. & Private Limited, (iii) PCD Investment Private Limited, (iv) UKM Investment Private Limited, (v) Dashbina Investments Private Limited and (vi) Padmaja E Commerce Private Limited ("**SHA**"); and

b) a right of first refusal agreement dated November 4, 2015 amongst the Acquirer, PAC, the Target Company and the following equity shareholders of the Target Company: (i) Mr. Utkarsh Bhikhoobhai Shah, (ii) Mr. Raj Bhikhoobhai Shah, (iii) Mr. Sukoon Vipoolbhai Shah, (iv) Mrs. Radhika U. Shah, (v) Mr. Aadarsh U. Shah, (vi) Mr. Bimalbhai Dashrathbhai Parikh, (vii) Bimal Dashrathbhai Parikh (HUF), (viii) Mrs. Mamtaben Bimalbhai Parikh, (ix) Dashrath Jagmohandas Investments Private Limited, (x) Mr. Priyam B. Parikh, (xi) Ashmak Investments Private Limited, (xii) Mr. Hemant Navinchandra Shah, (xiii) Mr. Rohan Hemant Shah, (xiv) Mr. Hemant N. Shah (HUF) (xv) Mr.

Navinchandra K. Shah (HUF) and (xvi) Mrs. Meena Hemant Shah (“**ROFR Agreement**”); and

c) a key employee agreement dated November 4, 2015 between the Target Company and Mr. Nahoosh J. Jariwala for his appointment as the managing director of the Company (**Key Employee Agreement**”). The terms of employment of Mr. Nahoosh J. Jariwala remain unchanged.

2.1.8 The SHA, ROFR Agreement and Key Employee Agreement shall come into effect on the Completion Date.

2.1.9 In case the number of Equity Shares offered for sale by the Equity Shareholders is more than the Equity Shares agreed to be acquired by the Acquirer and the PAC under the Offer, the Acquirer and the PAC shall accept the offers received from the Equity Shareholders on a proportionate basis in consultation with the Manager to the Offer, in accordance with the SEBI (SAST) Regulations.

2.1.10 The Acquirer and the PAC have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or under any of the regulations made under the SEBI Act.

2.1.11 The Acquirer and PAC do not presently have any nominee directors or representatives on the board of the Target Company. As per the terms of the SPA, the Acquirer and PAC have the right to appoint nominee directors of the board of directors of the Target Company, upon the consummation of the SPA. As on the date of this Draft Letter of Offer, the Acquirer and PAC have not determined the nominee directors of the Acquirer and PAC proposed to be appointed on the board of directors of the Target Company.

2.1.12 Upon the consummation of the transactions contemplated under the SPA, the articles of association of the Target Company shall be amended in a form and manner acceptable to the Acquirer, including to provide that the Acquirer shall have the right to appoint majority of the directors on the board of directors of the Target Company.

2.1.13 As per Regulation 26(6) of the SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Equity Shareholders and such recommendations shall be published, at least two Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS related to the Offer was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

2.2 **Details of the Offer**

2.2.1 The details pertaining to the publication of the Detailed Public Statement in newspapers is given below:

Newspaper	Language	Editions	Date of DPS
Financial Express	English	All Editions	Monday, November 9, 2015
Financial Express	Gujarati	Ahmedabad	Monday, November 9, 2015
Jansatta	Hindi	All Editions	Monday, November 9, 2015
Navshakti	Marathi	Mumbai	Monday, November 9, 2015

The Public Announcement and the Detailed Public Statement are also available at SEBI’s website: www.sebi.gov.in.

2.2.2 Pursuant to the Offer, the Acquirer and PAC will acquire up to 3,586,440 Equity Shares of the Target Company constituting 26% of the Share Capital at an Offer Price of ₹ 212 (Rupees Two Hundred and Twelve Only) per Equity Share, free from all lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, for cash to be paid in accordance with the SEBI (SAST) Regulations.

2.2.3 There are no partly paid up Equity Shares in the share capital of the Target Company. There are no equity-linked instruments, which are outstanding in the Target Company as on the date of this Draft Letter of Offer.

2.2.4 There is no differential pricing for this Offer.

2.2.5 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

2.2.6 All Equity Shares validly tendered by the Equity Shareholders will be accepted at the Offer Price in accordance with the terms and conditions contained in the PA, DPS, and the Letter of Offer. The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof. This Offer is not conditional on any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.

2.2.7 The Acquirer and PAC have not acquired any Equity Shares of the Target Company between the date of the PA, being Wednesday, November 4, 2015 and the date of this Draft Letter of Offer.

2.2.8 As on the date of this Draft Letter of Offer, there has been no competing offer to this Offer.

2.2.9 The Equity Shares of the Target Company are listed on BSE, NSE and ASE. The Equity Shares of the Target Company are listed but are currently not traded on the ASE. Further, the ASE has vide its letter dated June 04, 2014 informed all its listed companies that it has decided to voluntarily exit in compliance with the SEBI circular CIR/MRD/DSA/14/2012 dated May 30, 2012 on Exit policy of de-recognition/ non-operational stock exchanges. The Equity Shares are not currently traded on the ASE.

2.3 **Object of the acquisition / Offer**

2.3.1 The Acquirer believes that the Target Company presents a good investment platform because of its attractive business of manufacturing of specialty chemicals viz. oleo chemicals and intermediate neutraceuticals with a stable and experienced professional management team. The Acquirer is committed to continue to run the existing businesses and to grow the same in the long term through organic or inorganic opportunities and by leveraging on the Acquirer's resources.

2.3.2 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer does not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding two years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by the Target Company. Notwithstanding anything contained herein and except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot, the Acquirer undertakes that it will not restructure, sell, lease, dispose off or otherwise encumber any substantial assets of the Target Company or any of its subsidiaries other than in the ordinary course of business.

2.3.3 As of the date of this Draft Letter of Offer, the Acquirer and PAC cannot ascertain the repercussions, if any, on the employees and locations of the Target Company's places of business.

3 BACKGROUND OF THE ACQUIRER AND PAC

3.1 FIH MAURITIUS INVESTMENTS LTD (ACQUIRER)

3.1.1 The Acquirer, FIH Mauritius Investments Ltd, is a private company limited by shares, incorporated on November 12, 2014 under the laws of Republic of Mauritius, pursuant to the Mauritius Companies Act, 2001 and the subsequent amendments and re-enactment thereto. The Acquirer holds a Category 1 Global Business License issued by the Financial Services Commission, Mauritius ("**FSC**"). The Acquirer was incorporated as FIH Mauritius Investments Ltd and the same has not been changed post incorporation. Ms. Amy Tan Sze Ping is the compliance officer of the Acquirer.

3.1.2 The registered office of the Acquirer is located at Level 1, Maeva Tower, Cybercity, Ebene, Republic of Mauritius. (Tel: +2304643040/3031, Fax: +2304681930, E mail: info@fihmauritius.com).

3.1.3 The PAC i.e. FIH Private Investments Ltd is a wholly owned subsidiary of the Acquirer. The Acquirer and PAC belong to the Fairfax group.

3.1.4 The Acquirer was established for the purpose of making foreign direct investments ("**FDI**") in India in accordance with applicable Indian law, and has been registered as an investment holding company with the FSC. The Acquirer is engaged in making investments in Indian equity and debt securities either directly or through its wholly owned subsidiary i.e. the PAC.

3.1.5 The Acquirer belongs to the Fairfax group and is a wholly-owned subsidiary of Fairfax India Holdings Corporation ("**FIHC**"). FIHC is listed on the Toronto Stock Exchange. FIHC was incorporated under the Canada Business Corporations Act on November 25, 2014 with its registered office located in Canada. FIHC was established with a view to achieve long-term capital appreciation by investing in public and private equity securities and debt instruments in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India. Fairfax Financial Holdings Limited ("**FFHL**") through its various insurance and reinsurance subsidiaries holds multiple voting shares of FIHC which collectively represents 95.1% of the voting rights of FIHC and 28.1% of the equity interest of FIHC. FFHL is listed on the Toronto Stock Exchange. FFHL is promoted by Mr. V. Prem Watsa.

3.1.6 The Acquirer does not hold any Equity Shares in the Target Company. Hence, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations are not applicable.

3.1.7 The shareholding pattern of the Acquirer as on the date of this Draft Letter of Offer is as under:

Sl. No	Name of the Shareholder	Number of equity Shares	% age of Shareholding
1.	Promoters (Fairfax India Holdings Corporation)	22,005,965	100%
2.	FII/ Mutual Funds/ FIs/ Banks	N.A.	N.A.
3.	Other Public Shareholders	N.A	N.A
	Total	**22,005,965**	**100%**

3.1.8 The details of the directors of the Acquirer as on the date of this Draft Letter of Offer are as follows and none of them are on the board of directors of the Target Company as a representative/nominee of the Acquirer.

Name	Director Identification Number	Date of appointment	Qualification	Experience
Chandran Ratnaswami	00109215	November 17, 2014	MBA from the University of Toronto, Canada	Mr. Ratnaswami is currently the Managing Director at Fairfax in-house investment manager entity and is responsible for portfolio investments in Asia. Mr. Ratnaswami has been a non-executive director of Thomas Cook India since August 22, 2012, and a director of India Infoline Limited since May 15, 2012. He serves as a director of First Capital Insurance Limited, a director of Fairbridge, and has been a director of ZoomerMedia Ltd. since November 4, 2010. He has been a director of Ridley Inc. since December 15, 2008. He serves as a non-executive director of ICICI Lombard and has been a director of Thai Reinsurance Public Company Limited since February 2012.
Kapil Dev Joory	N.A	November 12, 2014	Fellow of Institute of Chartered Accountants in England and Wales Associate member of the Society of Trust and Estate Practitioners.	Mr. Joory is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and associate member of the Society of Trust and Estate Practitioners. After qualifying as a Chartered Accountant in 1974, Mr. Joory joined Price Waterhouse, Paris, working primarily on audit of multinational corporations operating in Northern and Western African countries. Mr. Joory subsequently specialized in international tax at Touche Ross, London in 1975 and then at Arthur Young in 1983. Mr. Joory was a Senior Tax Executive at Ernst & Young, London office until 1993. Mr. Joory has over 20 years of experience in international tax planning and business structuring, with areas of specialization covering international banking and financial services, including Islamic banking, offshore fund structuring and administration, intellectual and real property planning, aircraft and ship leasing, franchising and retail operations. Mr. Joory also serves as a director of numerous offshore funds and companies. Mr. Joory is a resident of the Republic of Mauritius.

Amy Tan Sze Ping	N.A	November 12, 2014	Fellow Association of Chartered Certified Accountants	Ms. Tan joined HWIC Asia Fund in January 2013 as Chief Financial Officer and was appointed as a director in March 2014. Prior to that, Ms. Tan worked with PricewaterhouseCoopers Mauritius as a Senior Manager in the assurance and business advisory division. She was involved in various audit, compliance and advisory assignments of local conglomerates and global business entities.
Couldip Basanta Lala	N.A	November 12, 2014	Fellow of Institute of Chartered Accountants in England and Wales	Mr. Lala is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and was previously a partner at one of the ‘‘big four’’ accounting firms. During Mr. Lala’s time in audit practice, he led audit assignments of world bank financed projects in countries in East and West Africa. Throughout his career. Mr. Lala has been a corporate affairs consultant and adviser, focusing primarily in the structuring of international private equity and hedge funds. Mr. Lala has been appointed to numerous boards of companies in Mauritius, with diverse interests, ranging from financial institutions, private equity and hedge funds, tourism, and general trade business. Mr. Lala is a resident of the Republic of Mauritius.
Gopalakrishnan Soundarajan	05242795	January 28, 2015	Chartered Accountant of Institute of Chartered Accountants of India. Qualified Chartered Financial Analyst & Member of the CFA Institute in USA.	Mr. Gopalakrishnan is the Chief Investment Officer of ICICI Lombard, the largest private sector property and casualty insurance company in India. Mr. Gopalakrishnan has held the position of head of investments at ICICI Lombard since 2001 and is a member of the investment committee. Mr. Gopalakrishnan serves on the board of directors of Primary Real Estate Investment Fund.

3.1.9 The brief standalone financial information of the Acquirer, as derived from its audited standalone financial statements as at and for the period from November 12, 2014 to December 31, 2014, and from its reviewed standalone financial information for the nine months ended September 30, 2015, as certified by PricewaterhouseCoopers, are as under:

(in ₹ Mn. except EPS)

	Limited Review	**Audited**	**Audited**	**Audited**
Particulars	**Nine months ended 30 Sep 2015**	**Period ended 12 Nov 2014 to 31 Dec 2014**	**Year ended 31 Dec 2013**	**Year ended 31 Dec 2012**
Profit & Loss Statement				
Income from Operations	263.94	-	N.A.	N.A.

Other Income	-	-	N.A.	N.A.
Total Income	263.94	-	N.A.	N.A.
Total Expenditure	188.29	0.55	N.A.	N.A.
Profit/(Loss) Before Depreciation Interest	75.65	(0.55)	N.A.	N.A.
Depreciation and Amortization	-	-	N.A.	N.A.
Interest Expense/(Income)	-	-	N.A.	N.A.
Profit/(Loss) Before Tax	75.65	(0.55)	N.A.	N.A.
Provision for Taxation	-	-	N.A.	N.A.
Profit After Tax (Before Minority Interest)	75.65	(0.55)	N.A.	N.A.
Minority Interest	-	-	N.A.	N.A.
Profit/(Loss) After Tax (After Minority	75.65	(0.55)	N.A.	N.A.
Balance Sheet Statement				
Sources of Funds				
Paid Up Share Capital (incl Equity and Preference Share Capital)	1,366.76	0.37	N.A.	N.A.
Reserves and Surplus (excluding revaluation reserves)	57,705.33	(0.54)	N.A.	N.A.
Net worth	59,072.08	(0.17)	N.A.	N.A.
Secured Loans	-	-	N.A.	N.A.
Unsecured Loans	-	-	N.A.	N.A.
Long-term Provisions	-	-	N.A.	N.A.
Other Non Current Liabilities	-	-	N.A.	N.A.
Deferred Tax Liabilities (Net)	-	-	N.A.	N.A.
Total	59,072.08	(0.17)	N.A.	N.A.
Uses of Funds				
Net Fixed Assets	0.24	-	N.A.	N.A.
Investments	56,180.87	-	N.A.	N.A.
Long-term Loans and Advances	-	-	N.A.	N.A.
Other Non- Current Assets	-	-	N.A.	N.A.
Current Investments	-	-	N.A.	N.A.
Net Current Assets (Liabilities)	2,890.98	(0.17)	N.A.	N.A.
Total	59,072.08	(0.17)	N.A.	N.A.
Other Financial Data				
Dividend (%)	-		N.A.	N.A.
Earnings Per Share (Basic and Diluted) (in INR)	3.44	(92.11)	N.A.	N.A.
Number of shares	22,005,965	5,965	N.A.	N.A.

Note: The Acquirer was incorporated on November 12, 2014. Accordingly, the Acquirer's first audited financial statement was for the period from November 12, 2014 to December 31, 2014.

3.1.10 There were no major contingent liabilities at each of the period end dates of September 30, 2015 and December 31, 2014.

3.1.11 The shares of the Acquirer are not listed on any stock exchange.

3.2 **FIH Private Investments Ltd (PAC)**

3.2.1 The PAC, FIH Private Investments Ltd, is a private company limited by shares, incorporated on November 12, 2014 under the laws of Republic of Mauritius, pursuant to the Mauritius Companies Act, 2001 and the subsequent amendments and re-enactment thereto. The PAC holds a Category 1 Global Business Licence issued by the FSC. The PAC was incorporated as FIH Private Investments Ltd, and there has been no change in the name of the PAC post incorporation. Ms. Amy Tan Sze Ping is the compliance officer of the PAC.

3.2.2 The registered office of the PAC is located at Level 1, Maeva Tower, Cybercity, Ebene, Republic of Mauritius. (Tel: +2304643040/3031, Fax: +2304681930, E mail: info@fihmauritius.com).

3.2.3 The Acquirer holds 100% (One Hundred percent) of the total equity share capital of the PAC.

3.2.4 The PAC is engaged in making investments in India, in accordance with applicable law, and is registered with SEBI as a Foreign Portfolio Investor (**"FPI"**) bearing registration number INMUFP041315. The PAC was set up as an investment holding company for making investments in securities listed on recognized stock exchanges in India and for making investments in debt securities subject to its investment criteria.

3.2.5 The PAC is a wholly owned subsidiary of the Acquirer, which is ultimately promoted and wholly owned by FIHC.

3.2.6 The PAC does not hold any shares in the Target Company. Hence, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or Chapter V of the SEBI (SAST) Regulations are not applicable.

3.2.7 The shareholding pattern of the PAC as on the date of this Draft Letter of Offer is as under:

Sl. No	Name of the Shareholder	Number of equity Shares	% age of Shareholding
1.	Promoters (FIH Mauritius Investments Limited) #	10,05,965	100%
2.	FII/ Mutual Funds/ FIs/ Banks	N.A.	N.A.
3.	Other Public Shareholders	N.A	N.A
	Total	**10,05,965**	**100%**

\# **Note**: The equity shares of the PAC are ultimately owned by FFHL. The shareholders of the PAC belong to the Fairfax group and are accordingly classified as promoter entities and are per se not classified as promoters under Mauritius law or any other laws applicable to the PAC.

3.2.8 The details of the directors of the PAC as on the date of this Draft Letter of Offer are as follows and none of them are on the board of directors of the Target Company as a representative/nominee of the PAC.

Name	Director Identification Number	Date of appointment	Qualification	Experience
Chandran Ratnaswami	00109215	November 17, 2014	MBA from the University of Toronto, Canada	Mr. Ratnaswami is currently the Managing Director at Fairfax' in-house investment manager entity and is responsible for portfolio investments in Asia. Mr. Ratnaswami has been a non-executive director of Thomas Cook India since August 22, 2012, and a director of India Infoline Limited since May 15, 2012. He serves as a director of First Capital Insurance Limited, a director of Fairbridge, and has been a director of ZoomerMedia Ltd. since November 4, 2010. He has been a director of Ridley Inc. since December 15, 2008. He serves as a non-executive director of ICICI Lombard and has been a director of Thai Reinsurance Public Company Limited since February 2012.

Kapil Dev Joory	N.A.	November 12, 2014	Fellow of Institute of Chartered Accountants in England and Wales Associate member of the Society of Trust and Estate Practitioners.	Mr. Joory is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and associate member of the Society of Trust and Estate Practitioners. After qualifying as a Chartered Accountant in 1974, Mr. Joory joined Price Waterhouse, Paris, working primarily on audit of multinational corporations operating in Northern and Western African countries. Mr. Joory subsequently specialized in international tax at Touche Ross, London in 1975 and then at Arthur Young in 1983. Mr. Joory was a Senior Tax Executive at Ernst & Young, London office until 1993. Mr. Joory has over 20 years of experience in international tax planning and business structuring, with areas of specialization covering international banking and financial services, including Islamic banking, offshore fund structuring and administration, intellectual and real property planning, aircraft and ship leasing, franchising and retail operations. Mr. Joory also serves as a director of numerous offshore funds and companies. Mr. Joory is a resident of the Republic of Mauritius
Amy Tan Sze Ping	N.A.	November 12, 2014	Fellow Association of Chartered Certified Accountants	Ms. Tan joined HWIC Asia Fund in January 2013 as chief financial officer and was appointed as a director in March 2014. Prior to that, Ms. Tan worked with PricewaterhouseCoopers Mauritius as a Senior Manager in the assurance and business advisory division. She was involved in various audit, compliance and advisory assignments of local conglomerates and global business entities.
Couldip Basanta Lala	N.A.	November 12, 2014	Fellow of Institute of Chartered Accountants in England and Wales	Mr. Lala is a co-founder and Executive Director of International Financial Services Limited, a leading management company specializing in international tax, business and corporate advisory services in Mauritius. He is a Fellow of the Institute of Chartered Accountants in England and Wales and was previously a partner at one of the ''big four'' accounting firms. During Mr. Lala's time in audit practice, he led audit assignments of world bank financed projects in countries in East and West Africa. Throughout his career, Mr. Lala has been a corporate affairs consultant and adviser, focusing primarily in the structuring of international private equity and hedge funds. Mr. Lala has been appointed to numerous boards of companies in Mauritius, with diverse interests, ranging from financial institutions, private equity and hedge funds, tourism, and general trade business. Mr. Lala is a resident of the Republic of Mauritius

Gopalakrishnan Soundarajan	05242795	January 28, 2015	Chartered Accountant of Institute of Chartered Accountants of India. Qualified Chartered Financial Analyst & Member of the CFA Institute in USA.	Mr. Gopalakrishnan is the Chief Investment Officer of ICICI Lombard, the largest private sector property and casualty insurance company in India. Mr. Gopalakrishnan has held the position of head of investments at ICICI Lombard since 2001 and is a member of the investment committee. Mr. Gopalakrishnan serves on the board of directors of Primary Real Estate Investment Fund.

3.2.9 The brief standalone financial information of the PAC, as derived from its audited standalone financial statements as at and for the period from November 12, 2014 to December 31, 2014 and from its reviewed standalone financial information as at and for the nine months ended September 30, 2015, as certified by PricewaterhouseCoopers, are as under:

(in ₹ Mn. except EPS)

	Limited Review	**Audited**	**Audited**	**Audited**
Particulars	**Nine months ended 30 Sep 2015**	**Period ended 12 Nov 2014 to 31 Dec 2014**	**Year ended 31 Dec 2013**	**Year ended 31 Dec 2012**
Profit & Loss Statement				
Income from Operations	1,978.38	-	N.A.	N.A.
Other Income	-	-	N.A.	N.A.
Total Income	1,978.38	-	N.A.	N.A.
Total Expenditure	72.88	0.45	N.A.	N.A.
Profit/(Loss) Before Depreciation Interest and Tax	1,905.50	0.45	N.A.	N.A.
Depreciation and Amortization	-	-	N.A.	N.A.
Interest Expense/(Income)	-	-	N.A.	N.A.
Profit/(Loss) Before Tax	1,905.50	0.45	N.A.	N.A.
Provision for Taxation	(168.13)	-	N.A.	N.A.
Profit After Tax (Before Minority Interest)	1,737.36	0.45	N.A.	N.A.
Minority Interest	-	-	N.A.	N.A.
Profit/(Loss) After Tax (After Minority Interest)	1,737.36	0.45	N.A.	N.A.
Balance Sheet Statement				
Sources of Funds				
Paid Up Share Capital (incl Equity and Preference Share Capital)	62.31	0.38	N.A.	N.A.
Reserves and Surplus	44,957.47	(0.45)	N.A.	N.A.
Net worth	45,019.78	(0.07)	N.A.	N.A.
Minority Interest	-	-	N.A.	N.A.
Secured Loans	-	-	N.A.	N.A.
Unsecured Loans	-	-	N.A.	N.A.
Long-term Provisions	-	-	N.A.	N.A.
Other Non Current Liabilities	-	-	N.A.	N.A.
Deferred Tax Liabilities (Net)	-	-	N.A.	N.A.
Total	45,019.78	(0.07)	N.A.	N.A.
Uses of Funds				
Net Fixed Assets	-	-	N.A.	N.A.
Investments	43,013.71	-	N.A.	N.A.
Long-term Loans and Advances	-	-	N.A.	N.A.
Other Non- Current Assets	-	-	N.A.	N.A.

Current Investments	-	-	N.A.	N.A.
Net Current Assets (Liabilities)	2,006.07	(0.07)	N.A.	N.A.
Total	45,019.78	(0.07)	N.A.	N.A.
Other Financial Data				
Dividend (%)	-	-	N.A.	N.A.
Earnings Per Share – Basic and Diluted (In INR)	1,727.06	(76.13)	N.A.	N.A.

Note:
1) The Company was incorporated on November 12, 2014. Accordingly, the Company's first audited financial statements were for the period from November 12, 2014 to December 31, 2014.

3.2.10 There were no major contingent liabilities at each of the period end dates of September 30, 2015 and December 31, 2014.

3.2.11 The shares of the PAC are not listed on any stock exchange.

4 BACKGROUND OF THE TARGET COMPANY, AS CONFIRMED BY THE TARGET COMPANY

4.1 Adi Finechem Limited was incorporated on May 25, 1985 under the Companies Act, 1956 in India as H K Agro Oil Limited. The name of the Target Company was changed from H K Agro Oil Limited to H.K. Agrochem Limited in 1994 which was subsequently changed to H.K. Finechem Ltd in 2000. The name of the Target Company was changed to its present name in 2010.

4.2 The registered office of the Target Company is situated at 1st Floor, 2 Sigma Corporates, Behind HOF Living, Sindhu Bhavan Road, Off S.G Road, Ahmedabad, Gujarat – 380059 (Tel: 079-29701675/ 32908752, Email Id: cs@adifinechem.com ; Website: www.adifinechem.com). The CIN of the Target Company is L15140GJ1985PLC007845.

4.3 The Company is involved in the business of manufacturing and sale of specialty oleochemicals (natural source) made from the by-products generated from processing of crude vegetable oils.

4.4 The share capital structure of the Target Company as on the date of this Draft Letter of Offer is set forth below:

Paid Up Equity Shares of the Target Company	No. of Equity Shares / voting rights as on the date of this Draft Letter of Offer	% of Equity Shares / voting rights as on the date of this Draft Letter of Offer
Fully Paid Up Equity Shares	13,794,000	100%
Partly Paid Up Equity Shares	Nil	Nil
Total Paid Up Equity Shares	13,794,000	100%
Total Voting Rights in the Target Company	13,794,000	100%

Further, there is no change in issued and paid up share capital from the above mentioned date till the date of this Draft Letter of Offer.

4.5 The Equity Shares of the Target Company are currently listed on BSE (Scrip Code: 530117), NSE (Symbol: ADI) (Source: BSE and NSE websites) and ASE. The Equity Shares are traded on BSE and NSE and are frequently traded on BSE in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations. The Equity Shares of the Target Company are listed but are currently not traded on the Ahmedabad Stock Exchange. Further, Ahmedabad Stock Exchange has vide its letter dated June 04, 2014 informed all its listed companies that it has decided to voluntarily exit in compliance with the SEBI circular CIR/MRD/DSA/14/2012 dated May 30, 2012 on Exit policy of de-recognition/ non-operational stock exchanges. The Equity Shares are not currently traded on the ASE.

4.6 The trading of the Equity Shares of the Target Company has not been suspended on any of the stock exchanges where such Equity Shares are listed.

4.7 As on the date of this Draft Letter of Offer, there are no outstanding convertible instruments in the Target Company.

4.8 As of this date of this Draft Letter of Offer, all the Equity Shares of the Target Company are listed on the stock exchanges.

4.9 As on the date of this Draft Letter of Offer, the Target Company has a paid up capital of ₹ 137,940,000 (Rupees One Hundred and Thirty Seven Million Nine Hundred and Fourty Thousand only) divided into 13,794,000 Equity Shares of the face value of ₹ 10 (Rupees Ten only) each.

4.10 There are no partly paid-up shares in the Target Company.

4.11 The board of directors of the Target Company as on the date of this Draft Letter of Offer is as under:

Name	Designation	Date of appointment
Mr. Utkarsh Shah	Chairman	May 15, 2010
Mr. Nahoosh J. Jariwala	Managing Director	May 15, 2010
Mr. Bimal Parikh	Executive Director	April 1, 2015
Mr. Hemant Shah	Whole time director	April 1, 2015
Mr. Jayesh Shah	Director	August 30, 2010
Mr. Kalpesh Patel	Director	August 30, 2010
Mr. Ganpatraj L. Chowdhary	Director	June 24, 2013
Mr. Nitin Patel	Director	June 24, 2013
Mr. Bhavin Shah	Director	June 24, 2013
Mrs. Sonal Ambani	Director	July 27, 2015

4.12 There has been no merger, demerger or spin off during the last 3 (Three) years involving the Target Company.

4.13 The details of the change in name of the Target Company, is as under:

Change in Name	Date
H.K. Agro Oil Limited	May 25, 1985
H.K. Agrichem Limited	July 15, 1994
H.K. Finechem Limited	December 15, 2000
Adi Finechem Limited	October 19, 2010

4.14 Mr. Mr. Rajan Jhaveri, Chief Financial Officer & Company Secretary, is the compliance officer of the Target Company, who will be available at the Registered Office of the Target Company at 1st Floor, 2 Sigma Corporates, Behind HOF Living, Sindhu Bhavan Road, Off S.G Road, Ahmedabad, Gujarat – 380059 (Tel: 079-29701675, Email Id: rajenjhaveri@adifinechem.com; Website: www.adifinechem.com) and attends to all investor grievances of the Target Company.

4.15 The brief financial information of the Target Company, as derived from its audited financial statements as at and for the FY ended March 31, 2015, 2014, 2013 and half year ended September 30, 2015 are as under:

(in ₹ Mn.) Particulars	As at and for the financial year ended March 31, 2013	As at and for the financial year ended March 31, 2014	As at and for the financial year ended March 31, 2015	As at and for the financial half year ended September 30, 2015
Profit & Loss Statement				
Income from Operations	1,230.99	1,518.23	1,506.19	708.93
Other Income	3.65	5.57	6.53	2.00
Total Income	1,234.64	1,523.80	1,511.76	710.94
Total Expenditure	1,060.90	1,186.87	1,257.66	643.34
Profit/(Loss) Before Depreciation Interest and Tax	173.74	336.93	254.11	67.60
Depreciation	22.65	26.43	22.17	14.61
Interest Expense/(Income)	24.79	26.56	27.39	17.92
Profit/(Loss) Before Tax	126.30	283.94	204.55	35.07
Provision for Taxation	42.43	97.12	68.65	16.10
Profit/(Loss) After Tax	83.86	186.82	136.86	18.98
Balance Sheet Statement				
Sources of Funds				
Paid Up Equity Share Capital	114.00	125.40	137.94	137.94

(in ₹ Mn.) Particulars	As at and for the financial year ended March 31, 2013	As at and for the financial year ended March 31, 2014	As at and for the financial year ended March 31, 2015	As at and for the financial half year ended September 30, 2015
Reserves and Surplus (Excluding Revaluation	308.13	472.86	568.07	449.10
Net worth	134.81	245.19	242.17	587.04
Secured Loans	194.13	347.46	430.13	331.14
Unsecured Loan	45.50	45.50	45.50	45.50
Total	**488.45**	**763.54**	**855.74**	**963.68**
Uses of Funds				
Net Fixed Assets	284.05	444.39	694.26	727.60
Investments(At Cost)	-	-	-	-
Net Current Assets/(Liabilities)	204.40	319.15	161.48	236.08
Total Miscellaneous expenditure not written off	-	-	-	-
Total	**488.45**	**763.54**	**855.74**	**963.68**
Other Financial Data				
Dividend (%)	10%	15%	25%	0%
Earnings Per Share (Basic and Diluted	7.36	14.90	9.85	1.38*

(*Source: The financial information has been extracted from the audited financial statements of the Target Company for the financial years ended March 31, 2015, 2014 and 2013*.)

* **Note**: Not annualized.

4.16 There are no equity-linked instruments, which are outstanding in the Target Company as on the date of this Draft Letter of Offer.

4.17 Pre and post Offer Shareholding pattern of the Target Company based on latest available data for beneficiary position as on the date of this Draft Letter of Offer:

Shareholders Category	Shareholding and voting rights prior to the offer		Shares/voting rights agreed to be acquired which triggered the Takeover Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptance)		Shareholding/ voting rights after the offer	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
1. Promoters Group including Acquirer and PAC								
A. Parties to the agreement								
Acquirer	-	-	6,160,083	44.66	3,586,440	26.00	9,746,523	70.66
PAC	-	-						
Sellers	8,620,083	62.49	-	-	-	-	2,460,000*	17.83*
Total (A)	**8,620,083**	**62.49**	**6,160,083**	**44.66**	**3,586,440**	**26.00**	**12,206,523***	**88.49***
B. Promoters other than above	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (1) (A+B)	**8,620,083**	**62.49**	**6,160,083**	**44.66**	**3,586,440**	**26.00**	**12,206,523***	**88.49***
2. Parties to Agreement other than disclosed in (1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Shareholders Category	Shareholding and voting rights prior to the offer		Shares/voting rights agreed to be acquired which triggered the Takeover Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptance)		Shareholding/ voting rights after the offer	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
3. Public (other than parties to the agreement, acquirers & PACs)								
a. FIs/MFs/FIIs/FPIs/Banks/SFIs	1,032,043	7.48	-	-	-	-	1,587,477	11.51
b. Others	4,141,874	30.03	-	-	-	-		
Total (3)(a+b)	**5,173,917**	**37.51**	**-**	**-**	**-**	**-**	**1,587,477**	**11.51**
Grand Total (1+2+3)	**13,794,000**	**100.00**	**6,160,083**	**44.66**	**3,586,440**	**26.00**	**13,794,000**	**100.00**

[*] **Note:** Upon the completion of the transactions contemplated under the SPA, some of the Sellers will cease to act as promoters of the Target Company in accordance with Regulation 31A of the SEBI Listing Regulations.

4.18 The acquisition of 26% (Twenty Six percent) of the Share Capital under this Offer may result in the public shareholding in the Target Company falling below the level required for continuous listing. To the extent the post-Offer holding of the Acquirer and the PAC in the Target Company exceeds the maximum permissible non-public shareholding under the SCRR, the Acquirer and PAC undertake to reduce their shareholding to the level stipulated in the SCRR within the time specified in the SCRR and the Listing Agreement.

5 OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer price

5.1.1 The Offer is made pursuant to the execution of the SPA for the direct acquisition of Equity Shares from the Sellers by the Acquirer.

5.1.2 The Equity Shares of the Target Company are listed and traded on the BSE and the NSE. The total number of Equity Shares traded on BSE and NSE for a period of 12 (Twelve) calendar months preceding the calendar month in which the PA was made (November 1, 2014 to October 30, 2015, both days included) are as given below:

Stock Exchange	No. of Equity Shares traded	Total No. of Equity Shares of Target Company	Traded shares (as a % of Total Equity Shares)
NSE#	661,000	13,794,000	4.79%
BSE	2,456,416	13,794,000	17.81%
ASE##	-	-	-

Source: www.nseindia.com and www.bseindia.com

 # - The Equity Shares of the Target Company are listed and traded on NSE from May 08, 2015.

- The Equity Shares of the Target Company are listed but are currently not traded on the ASE. Further, the ASE has wide its letter dated June 04, 2014 informed all its listed companies that it has decided to voluntarily exit in compliance with the SEBI circular CIR/MRD/DSA/14/2012 dated May 30, 2012 on Exit policy of de-recognition/ non-operational stock exchanges.

5.1.3 The Equity Shares of the Target Company are frequently traded, within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, on the BSE, during the 12 (Twelve) months preceding the date on which the PA was made.

5.1.4 Since the Equity Shares of the Target Company have been frequently traded on BSE where the Equity Shares are listed, during the 12 (Twelve) calendar months preceding the month in which the PA has been issued, and since the maximum volume of trading is recorded at BSE during the preceding 60 (Sixty) trading days from the date of the PA, the Offer Price is justified, taking into account the following parameters, as set out under Regulation 8(2) of the SEBI (SAST) Regulations:

A	The highest negotiated price per Equity Share (as per the share purchase agreement) attracting the obligation to make this Offer	INR 212.00
B	The volume weighted average price paid by the Acquirer during the fifty two weeks immediately preceding the date of the PA	-
C	The highest price paid for any acquisition by the Acquirer in the twenty six weeks preceding the date of the PA	-
D	The volume-weighted average market price of Equity Shares of the Target Company for a period of sixty trading days immediately preceding the date of the PA as traded on BSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, the shares being frequently traded	INR 203.39
E	Where the shares are not frequently traded, the price determined by the Acquirer and the manager to the open offer taking into account valuation in parameters including book value, comparable trading multiples and such other parameters as are customary for the valuation of shares of such companies	-

5.1.5 Calculation of the volume – weighted average market price of the Equity Shares for a period of sixty (60) trading days immediately preceding the date of PA i.e. November 4, 2015 as traded on BSE as per Regulation 8 (2) (d) of the SEBI

(SAST) Regulations is as follows**:**

S. No.	Date	Total traded equity shares	Total Turnover (In INR)
1	November 3, 2015	6,359	1,337,192
2	November 2, 2015	4,350	913,770
3	October 30, 2015	5,583	1,190,693
4	October 29, 2015	9,656	2,061,375
5	October 28, 2015	62,159	11,852,695
6	October 27, 2015	8,712	1,782,145
7	October 26, 2015	170	37,400
8	October 23, 2015	2,024	446,652
9	October 21, 2015	5,262	1,145,964
10	October 20, 2015	804	174,444
11	October 19, 2015	745	158,733
12	October 16, 2015	586	123,239
13	October 15, 2015	16,932	3,605,447
14	October 14, 2015	135	27,722
15	October 13, 2015	1,320	277,264
16	October 12, 2015	191	38,478
17	October 9, 2015	760	153,296
18	October 8, 2015	1,703	359,880
19	October 7, 2015	2,321	473,551
20	October 6, 2015	3,493	686,931
21	October 5, 2015	2,568	492,263

22	October 1, 2015	783	151,541
23	September 30, 2015	336	65,020
24	September 29, 2015	2,653	508,680
25	September 28, 2015	1,405	271,762
26	September 24, 2015	1,291	252,148
27	September 23, 2015	1,039	201,739
28	September 22, 2015	226	44,452
29	September 21, 2015	1,399	271,703
30	September 18, 2015	962	189,423
31	September 16, 2015	208	40,977
32	September 15, 2015	542	106,546
33	September 14, 2015	823	158,969
34	September 11, 2015	736	142,091
35	September 10, 2015	458	88,444
36	September 9, 2015	1,302	248,909
37	September 8, 2015	2,581	485,668
38	September 7, 2015	2,249	425,846
39	September 4, 2015	1,076	203,715
40	September 3, 2015	1,433	277,375
41	September 2, 2015	901	175,752
42	September 1, 2015	1,674	320,738
43	August 31, 2015	2,222	428,655

44	August 28, 2015	6,848	1,342,064
45	August 27, 2015	12,452	2,400,984
46	August 26, 2015	6,747	1,344,232
47	August 25, 2015	7,136	1,430,743
48	August 24, 2015	7,878	1,670,777
49	August 21, 2015	9,373	2,006,104
50	August 20, 2015	1,288	290,400
51	August 19, 2015	3,005	689,392
52	August 18, 2015	4,069	932,587
53	August 17, 2015	104,245	23,286,312
54	August 14, 2015	66,214	13,294,726
55	August 13, 2015	3,401	666,186
56	August 12, 2015	3,645	667,219
57	August 11, 2015	8,665	1,588,120
58	August 10, 2015	75,354	14,133,286
59	August 7, 2015	18,546	3,695,110
60	August 6, 2015	6,207	1,322,686
Total		507,205	103,160,215
Volume Weighted Average Price (Total Turnover divided by Total Traded Equity Shares) (INR)			**203.39**

5.1.6 In view of the parameters considered and presented in table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 212 (Rupees Two Hundred and Twelve) per Equity Share, being the highest of the prices mentioned above, is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.

5.1.7 There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (Source: www.bseindia.com and www.nseindia.com)

5.1.8 There has been no revision in the Offer Price or to the Offer Size as on the date of this Draft Letter of Offer. An upward revision in the Offer Price or the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (Three) working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph 5.2.2 of this Draft Letter of Offer; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE, NSE, ASE and the Target Company at its registered office of such revision.

5.2 **Financial arrangements:**

5.2.1 Assuming full acceptance, the total funds requirements to implement this Offer is ₹ 760,325,280 (Rupees Seven Hundred Sixty Million Three Hundred Twenty Five Thousand Two Hundred and Eighty) ("**Maximum Consideration**"). The source of funds for the purposes of acquisition of Equity Shares pursuant to this Offer is foreign funds.

5.2.2 In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has opened a "**Cash Escrow Account**" in the name and style as "**AFCL OPEN OFFER ESCROW ACCOUNT**" bearing Account No. 6611666703("**Escrow Account**") with Kotak Mahindra Bank Limited, a banking corporation incorporated under the Companies Act and having one of its branch office at Mittal Court, Nariman Point Mumbai, India and has made a cash deposit of ₹ 190,081,320 (Rupees One hundred ninety million eighty one thousand three hundred twenty) in the Escrow Account in accordance with the Regulation 17(1) read with 17(3)(a) of the SEBI (SAST) Regulations which represents 25% (Twenty five percent) of the total consideration payable to the Equity Shareholders. The Manager to the Offer has been duly authorized to realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.3 In case of any upward revision in the Offer Price or the Offer Size, the value in cash of the escrow amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded via the Escrow Account by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

5.2.4 The Acquirer and PAC have adequate resources to meet the funds requirements/obligations under this Offer. As per certificate dated November 04, 2015 from Kirit Sheth (Membership No. 37824), proprietor of M/s K. J. Sheth & Associates(Chartered Accountants), 2nd Floor, Seksaria Chambers, 139, N. M. Road, Fort, Mumbai - 400 001 (Tel. No. 022-22671618; E-mail ID: kirit.sheth@kjsa.org), the Acquirer and PAC have adequate liquid resources to meet the funds requirements/obligations under this Offer.

5.2.5 The Acquirer has authorized ICICI Securities Limited, Manager to the Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.6 Based on the above, ICICI Securities Limited, Manager to the Offer, certify and confirm that firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

6 TERMS AND CONDITIONS OF THE OFFER

6.1 Operational Terms and Conditions

6.1.1 The Tendering Period will commence on Wednesday, December 30, 2015 and will close on Tuesday, January 12, 2016.

6.1.2 The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, all rights of dividends, bonuses or rights from now on and declared hereafter.

6.1.3 This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.

6.1.4 The Identified Date for this Offer as per the tentative schedule of activity is Tuesday, December 14, 2015.

6.1.5 The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (one only).

6.1.6 There are no lock-in restrictions on the Equity Shares of the Target Company.

6.1.7 As of the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and PAC, there are no statutory / regulatory required by the Acquirer and PAC to complete this Offer. However, in case any statutory approvals are required by the Acquirer at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals. The Acquirer shall complete all procedures relating to this Offer within 10 (Ten) Working Days from the date of closure of the Tendering Period to those Equity Shareholders whose share certificates and/ or other documents are found valid and in order and are accepted for acquisition by the Acquirer.

6.1.8 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

6.2 Eligibility for accepting the Offer

6.2.1 The Letter of Offer shall be sent to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form or physical form (except the Acquirer, the PAC and Sellers) whose names appear in register of Target Company as on the Identified Date.

6.2.2 This Offer is also open to persons who own Equity Shares in the Target Company but are not registered Shareholders as on the Identified Date.

6.2.3 All Equity Shareholders/Beneficial Owners who own Equity Shares of the Target Company and are able to tender such Equity Shares in this Offer at anytime before the closure of the Offer, are eligible to participate in this Offer.

6.2.4 The Equity Shareholders who wish to tender their Equity Shares pursuant to this Offer will be required to communicate their acceptance in the form and manner specified in the Letter of Offer to Link Intime India Private Limited acting as the registrar to the offer ("**Registrar to the Offer**") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance. Applicants who cannot hand deliver their documents at the collection centers, as will be mentioned in the Letter of Offer, may send such documents by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at its address mentioned on page 2 of this Draft Letter of Offer.

6.2.5 The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance cum Acknowledgement will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Equity Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance cum Acknowledgement from the SEBI's website for applying in the Offer.

6.2.6 Those Equity Shareholders who have not received this Draft Letter of Offer and those who apply in plain paper will not be required to provide any indemnity. They must follow the same procedure mentioned above for registered Equity Shareholders.

6.2.7 The acceptance of this Offer by the Equity Shareholders of the Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

6.2.8 NRIs and OCBs, being holders of the Equity Shares, must obtain all requisite approvals required to tender the Equity Shares held by them, in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit such approvals along with the documents required to accept this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer.

6.2.9 The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s) / Beneficial owner(s) of the Target Company.

6.2.10 The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc. during transit and the Equity Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

6.2.11 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.

6.2.12 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

6.2.13 The Manager to the Offer shall submit a final report to SEBI within 15 (Fifteen) Working Days from the expiry of the Tendering Period in accordance with Regulation 27(7) of the SEBI (SAST) Regulations confirming status of completion of various Offer Requirements.

6.2.14 For any assistance please contact ICICI Securities Limited, Manager to the Offer or the Acquirer or the Registrar to the Offer.

7 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

7.1 ACCEPTANCE OF THE OFFER

7.1.1 Name and Address of the persons (Registrar to the Offer) to whom the Equity Shares along with documents required to be submitted therewith, should be sent to the following addresses:

Collection Centers and Address	Mode of Delivery	Phone No.	Fax No.
Mumbai Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078. Contact Person: Ganesh Mhatre	Hand Delivery & Registered Post	022-61715400	022-25960329
Ahmedabad Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market,, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad – 380009 Contact Person: Hitesh Patel	Hand Delivery	079-2646 5179	079-2646 5179

7.1.2 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Equity Shareholders, whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on Tuesday, December 14, 2015, i.e. the Identified Date.

7.1.3 The Equity Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at www.sebi.gov.in or obtain it from the Registrar to the Offer, and send in their acceptances to the Registrar to the Offer by filling the same.

7.1.4 The Equity Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, at any of the collection centers mentioned in paragraph 7.1.1 so as to reach the Registrar to the Offer during business hours on or before 5 pm on Tuesday, January 12, 2016, i.e. Closure of the Tendering Period, in accordance with the procedure as set out in this Letter of Offer.

7.1.5 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.

7.1.6 Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Link Intime India Private Limited, Unit : Adi Finechem – Open Offer, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078 so as to reach the Registrar to the Offer on or before 5 pm on Tuesday, January 12, 2016, i.e. Closure of the Tendering Period.

7.1.7 **Equity Shareholders who are holding Equity Shares in physical form:**

The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Equity Shareholders whose name(s) appears on the Equity Share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum- Acknowledgement along with self attested copy of PAN Card of all the transferors are required to be submitted.

Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.

Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer.

For Equity Shares held in physical mode by resident Equity Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum-Acknowledgement, but receipt of other documents including the original share certificates, valid share transfer deeds and PAN, prior to the Closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

7.1.8 **Equity Shareholders who are holding Equity Shares in dematerialized form:**

Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Special Depository Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Equity Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.

The Registrar to the Offer has opened a Special Depository Account with Ventura Securities Limited called “LIIPL AFCL OPEN OFFER ESCROW DEMAT ACCOUNT”. The Equity Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Special Depository Account:

Depository Name	National Securities Depository Ltd. (NSDL)
Account Name	LIIPL AFCL OPEN OFFER ESCROW DEMAT ACCOUNT
Depository Participant (“DP”) Name	Ventura Securities Limited
DP ID Number	IN303116
Beneficiary Account Number	11827494
ISIN	INE959A01019
Market	Off Market
Date of Credit	On or before January 12, 2016

It is the sole responsibility of the Equity Shareholder to ensure credit of its Equity Shares in the Special Depository Account, on or before 5 pm on Tuesday, January 12, 2016, i.e. Closure of the Tendering Period.

The Equity Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Special Depository Account with NSDL.

The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Special Depository Account before the Closure of the Tendering Period is liable to be rejected.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

For Equity Shares held in dematerialized form by resident Equity Shareholders, in case of non-receipt of the duly completed Form of Acceptance-cum- Acknowledgement/ photocopy of the delivery instruction/ other documents required, but receipt of the Equity Shares in the Special Depository Account prior to the Closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

7.1.9 **Equity Shareholders who have sent their Equity Shares for dematerialization:**

The Equity Shareholders who have sent their Equity Shares for dematerialization who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Equity Shareholder's depository participant, in accordance with the instructions mentioned in the Letter of Offer. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Equity Shareholder(s) whose name appears on the share certificates and in the same order and as per the specimen signature lodged with the Target Company.

Such Equity Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Special Depository Account, to be received on or before 5 pm on Tuesday, January 12, 2016, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Equity Shareholder's depository participant, the Equity Shareholder can withdraw its dematerialization request and tender the Equity Share certificate(s) in this Offer as per the procedure mentioned in the Letter of Offer.

Unregistered Equity Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificates, valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 5 pm on Tuesday, January 12, 2016, i.e. Closure of the Tendering Period. Valid share transfer deeds, as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/joint Equity Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Equity Shareholders. In case the Equity Share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the Equity Share certificate(s) and the transfer deed(s). The Equity Shareholders should ensure that the Equity Share certificate(s) and above documents reach the designated collection centre on or before 5 pm on Tuesday, January 12, 2016 i.e. Closure of the Tendering Period.

The Equity Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- duly attested death certificate and succession certificate/probate/letter of administration (in case of single Equity Shareholder) if the original Equity Shareholder is no more;
- duly attested power of attorney if any person apart from the Equity Shareholder has signed the application form and/or transfer deeds;
- in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;
- banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and
- any other relevant documents.

In case of non-receipt of this Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 5 pm on Tuesday, January 12, 2016, i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Special Depository Account, so as to reach the Registrar to the Offer, on or before 5 pm on Tuesday, January 12, 2016, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Equity Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Equity Shareholders who have sent their Equity Shares for dematerialization/ re-materialization need to ensure that the process of getting Equity Shares dematerialized/ rematerialized is completed well in time so that the credit in the Special Depository Account is received or physical Equity Share certificates are received by the Registrar to the Offer on or before 5 pm on Tuesday, January 12, 2016, i.e. Closure of the Tendering Period, else their application would be rejected.

NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis.

In case of delay in receipt of any statutory approvals, which may be required by the Acquirer and/or the PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Equity Shareholders for delay beyond 10 (ten) Working Days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Equity Shareholders, the Acquirer and the PAC will have the option to pay consideration to such Equity Shareholders for whom statutory approvals are not required in order to complete this Offer.

Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Applications in respect of the Equity Shares that are the subject of litigation, wherein the Equity Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. This Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities

The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Special Depository Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Equity Shareholders whose Equity Shares have been validly tendered and accepted in this Offer, till completion of formalities relating to this Offer. In case of Equity Shares tendered in physical form, where the original Equity Share certificates are required to be split, all the documents will be returned only upon receipt of the Equity Share certificates from the Target Company.

If the aggregate valid responses to this Offer by the Equity Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Equity Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of the Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is 1 (one) Equity Share.

Unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Equity Shareholders'/unregistered Equity Shareholders' sole risk to the sole/first Equity Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Equity Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Equity Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the de-mat account is maintained till the completion of the Offer formalities.

7.2 **Settlement / Payment of Consideration**

7.2.1 The Acquirer and PAC being non-resident entities are not permitted to acquire the Equity Shares of the Target Company on the floor of the recognized stock exchanges in India as per the existing exchange control regulations in India. Therefore, in accordance with paragraph 3(c) of the SEBI circular on ‘Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting’ dated April 13, 2015, the Offer will follow the existing ‘tender offer method’ as prescribed by SEBI.

7.2.2 The Acquirer shall arrange to pay the consideration payable to the Equity Shareholders whose Equity Shares have been accepted on or before Tuesday, January 12, 2016 subject to the terms of the Letter of Offer.

7.2.3 Equity Shareholders tendering their Equity Shares electronically are advised to immediately update with their DP, their bank account details, i.e. nine digit Magnetic Ink Character Recognition Code {MICR} as appearing on their cheque leaf as also their bank’s Indian Financial System Code {IFSC}, which will get linked to their bank branch. Please note that failure to do so could result in delays in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Equity Shareholder’s sole risk and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate such Equity Shareholder for any losses caused due to any such delay or any interest for such delay.

7.2.4 Payment of consideration to the Equity Shareholders would be done through various modes in the following order of preference:

(a) **Real Time Gross Settlement (“RTGS”) / National Electronic Fund Transfer (“NEFT”)** - Payment shall be undertaken through any of the above modes wherever the Equity Shareholder’s bank has been assigned the IFSC, which can be linked to an MICR, if any, available to that particular bank branch or wherever the Equity Shareholders have registered their nine digit MICR number and their bank account number with their DP.

(b) **Direct Credit** – Equity Shareholders having bank accounts with the Escrow Bank, as mentioned in the Acceptance cum Acknowledgement Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer.

(c) For all other Equity Shareholders, including Equity Shareholders holding Equity Shares in physical from and those who have not updated their bank particulars with the MICR code, the payments will be dispatched through speed post / registered post. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Bank and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centre will be payable by the Equity Shareholders.

Applicants to whom payments are made through electronic transfer of funds will be sent a letter (Payment advice) through ordinary post intimating them about the mode of credit / payment. The Registrar to the Offer shall ensure dispatch of consideration, if any, by RTGS / NEFT / Direct Credit / Cheques / Payorders / Demand Drafts only in the name of the sole or first Equity Shareholder and all communication will be addressed to the person whose name appears on Acceptance cum Acknowledgement Form within 10 Working Days of the date of closure of the Tendering Period and adequate funds for making payments as per the mode(s) disclosed above shall be made available to the Registrar by the Acquirer. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

7.2.5 As of the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and PAC, there are no statutory / regulatory required by the Acquirer and PAC to complete this Offer. In case of any delay in receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment of the consideration to those Equity Shareholders, whose Equity Shares are accepted in this Offer in terms of Regulation 18(11) of the SEBI (SAST) Regulations, subject to the Acquirer and/or the PAC agreeing to pay interest to such Equity Shareholders for the delay beyond 10 Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all Equity Shareholders, the Acquirer and/or the PAC have the option to make payment to such Equity Shareholders in respect of whom no statutory approvals are required in order to complete the Offer

8 COMPLIANCE WITH TAX REQUIREMENTS:

8.1 General

8.1.1 As per the provisions of Section 195(1) / Section 196D of the Income Tax Act, 1961 ("**Income Tax Act**"), any person responsible for paying to a non-resident, other than to an Foreign Institutional Investor ("**FII**") (including its sub – account) or an Foreign Portfolio Investor ("**FPI**") registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as consideration for acquisition of shares, any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rates in force. Since the consideration payable to the Equity Shareholders whose Equity Shares are validly accepted in this Offer would be chargeable to capital gains under Section 45 of the Income Tax Act or as business profits, as the case may be, the Acquirer / PAC are required to deduct taxes at source (including surcharge and education cess) at the applicable rates to such non-resident Equity Shareholders (other than to an FII (including its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014).

8.1.2 In case of delay in receipt of statutory approvals, which may be required by the Acquirer and/or the PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Equity Shareholders for delay beyond 10 (Ten) Working Days at such rate, as may be specified by SEBI from time to time.

8.1.3 As per the provisions of Section 194A and 195 of the Income Tax Act, read with the Finance Act, 2015, a body corporate responsible for paying to residents and non-residents (including FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) any income by way of interest, is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable). Since the interest payable to the Equity Shareholders on being directed by SEBI under Regulation 18(11) of the SEBI (SAST) Regulations will be chargeable to income tax, the Acquirer / PAC will be required to deduct tax at source under section 194A or 195 of the Income Tax Act (including, in the case of non-residents, surcharge and education cess as applicable) on such interest income.

8.1.4 Each resident and non-resident Equity Shareholder (including FIIs (and its sub – account) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014)shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/body of individuals, trust, any other taxable entity).In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer / PAC, it would be assumed that the Equity Shareholder is a non-resident Equity Shareholder and taxes shall be deducted at the maximum rate, as may be applicable to the relevant category to which the Equity Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Equity Shareholder.

8.1.5 Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

8.1.6 In the case of non – resident Equity Shareholders, the rate of deduction of tax and the quantum of amount on which tax rate is to be applied is dependent on several factors. Since the Acquirer / PAC do not have in-house information in respect of various non-resident Equity Shareholders, such Shareholders must specify the details requested in the Form of Acceptance-cum-Acknowledgement, including but not limited to the following information: (i) Residential status of the Equity Shareholder; (ii) Category to which the non-resident Equity Shareholder belongs i.e., Non Resident Indian, Overseas Corporate Body, Non-domestic company, FII being a company, FII other than a company, FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 or any other non-resident; (iii) Date of acquisition of Equity Shares (to be supported by evidence); (iv) Cost of acquisition (to be supported by evidence); (v) Whether any concession in the matter of tax deduction is claimed based on certificate u/s. 195 / 197 (to be supported by evidence); and (vi) Whether any concession in the matter of tax deduction is claimed under any DTAA (to be supported by evidence).

Further, for the purpose of determining whether the capital gains are short-term or long-term, the Acquirer / PAC shall, if required, cross verify the details provided by the Equity Shareholder with the information obtained from the Target Company.

8.1.7 Any non – resident Equity Shareholder claiming benefit under any Double Taxation Avoidance Agreement ("**DTAA**") between India and any other foreign country should furnish 'Tax Residency Certificate' provided to him / it by the income tax authority of such other foreign country of which he / it claims to be a tax resident. In addition, such non-resident Equity Shareholder is required to provide a duly signed Form no.10F containing the prescribed information such as (i) Legal status (individual, company, firm, etc.), (ii) Permanent Account Number, if allotted; (iii) nationality in case of an individual; (iv) country of Incorporation / registration in case of any Equity Shareholder other than an individual; (v) Tax identification number / unique number by which the Equity Shareholder is identified in the country of his / its residence; (vi) period for which the Tax Residency Certificate is issued; and (vii) Address of the shareholder for the period for which Tax Residency Certificate is issued, if any of these information is not contained in the 'Tax Residency Certificate'.

Further, a non-resident tax payer is required to keep and maintain all documents substantiating the aforesaid information and furnish the same when required by the Indian tax authorities.

8.1.8 In case the non – resident / resident Equity Shareholder furnishes certificate from the Income Tax authorities under Section

195 or under section 197 of the Income Tax Act, 1961 tax will be deducted at source in accordance with the certificate.

8.1.9 All Equity Shareholder are required to submit their PAN along with self attested copy of the PAN card for income-tax purposes. If not, the Acquirer will arrange to deduct tax at the rate of 20% as per Section 206AA of the Income Tax Act or at such tax rate as dealt with in Paragraph 8(Compliance with Tax Requirements) – paragraphs 8.2, 8.3 and 8.4 below, for each category of the non-resident Equity Shareholder, whichever is higher (including surcharge and education cess as applicable) on the entire consideration amount payable and interest, if any.

8.1.10 The Acquirer will not accept any request from any Equity Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower or nil rate, on the basis of any self computation/computation by any tax consultant, of capital gain or business income and/or interest, if any, and tax payable thereon

8.2 **For all non – resident Equity Shareholders except (i) FII and (ii) FPI (in respect of the consideration payable under the Offer):**

8.2.1 In computing the amount of TDS, to be eligible for (a) deduction for cost of acquisition and (b) lower rate of Tax Deduction at Source as applicable to Long Term Capital Gain the shareholder will need to provide following documents:

(a) Document evidencing price at which Equity Shares were acquired e.g. broker invoice / contract note

(b) Document evidencing the date on which the Equity Shares were acquired e.g. broker invoice / contract note

(c) To be eligible for lower rate of tax deduction, (as envisaged in section 115E of the Income Tax Act, 1961) an individual shareholder, who is either an Indian Citizen or a Person of Indian Origin, document evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange. The document can be in the form of either (a) extract of relevant pages of demat account or (b) bank certificate.

8.2.2 In absence of the above documents, the tax will be deducted at source on the entire consideration payable to the Equity Shareholder treating the nature of gain as short-term capital gains or business profits as the case may be. In their absence, no deduction will be made in computing taxable gain and no concessional rate of TDS (as applicable to Long Term Capital Gains) will be applied.

8.3 **For (i) FII and (ii) FPI in respect of the consideration payable under the Open Offer):**

8.3.1 In view of the recent change in the definition of 'Capital Asset' provided in section 2 (14) of the Income Tax Act, shares held by all FII (and their sub – account) or FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014 are to be treated as 'Capital Asset'.As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII (and their sub – account) or FPI. The Acquirer would not deduct tax at source on the payments to FII or FPI, subject to provision of following documents:

(a) Copy of the FII/ FPI registration certificate issued by SEBI (including for sub-account of FII, if any);

(b) Copy of PAN Card

8.3.2 If the above documents are not provided, the Acquirer shall deduct tax at the maximum tax rate applicable under the Income Tax Act on the gross consideration payable to the FII or FPI.

8.4 **Tax to be deducted in case of resident Shareholders**

8.4.1 In absence of any specific provision under the Income Tax Act, the Acquirer / PAC will not deduct tax on the consideration payable to resident Equity Shareholders for acquisition of Equity Shares. Such resident Equity Shareholder will be liable to pay tax on their income as per the provisions of the Income Tax Act as applicable to them.

8.4.2 The Acquirer / PAC will deduct the tax at the stipulated rates on interest, if any, payable to resident Equity Shareholders, if the amount of interest payable is in excess of ₹. 5,000 (Rupees Five Thousand only).

8.4.3 The resident Equity Shareholder claiming that no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-Acknowledgement any of the following documents, as may be applicable:

(a) Certificate under Section 197 of the Income Tax Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer / PAC

(b) In the case of resident Equity Shareholder not being a company or firm, a self declaration in Form 15G or Form

15H, as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Equity Shareholder furnishes PAN in such declaration.

(c) SEBI Registration Certificate as a mutual fund since no tax is to be deducted on interest amount in the case of resident Equity Shareholder being a mutual fund as per Section 10(23D) of the Income Tax Act.

(d) Documentary evidence in support of the claim that no tax should be deducted at source on interest payable if the Equity Shareholder bank or entity are covered by exception provided in Section 194A(3)(iii) of the Income Tax Act.

(e) SEBI Registration Certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction at source on the basis of any notification that may be issued under section 197A (1F) of the Income Tax Act.

8.5 **Issue of tax deduction at source certificate**

8.5.1 The Acquirer / PAC will issue a certificate in the prescribed form to the Equity Shareholders (resident and non- resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

8.6 **Withholding taxes in respect of overseas jurisdictions**

8.6.1 Apart from the above, the Acquirer / PAC will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdictions where the non-resident Equity Shareholder is a resident for tax purposes ("**Overseas Tax**").

For this purpose, the non-resident Equity Shareholder shall duly represent in the Form of Acceptance-cum-Acknowledgement, the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Equity Shareholder is a tax resident and the Acquirer / PAC will be entitled to rely on this representation at their/its sole discretion.

8.6.2 Equity Shareholders who wish to tender their Equity Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

1. Documents required from non-resident Equity Shareholders (except FII (and its sub – account) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014):

   a. Self attested copy of PAN card
   b. Document evidencing price at which shares were acquired e.g. broker invoice / contract note
   c. Document evidencing the date on which the Equity Shares were acquired e.g. broker invoice / contract note
   d. An individual Equity Shareholder, who is either an Indian Citizen or a Person of Indian Origin, and claiming concessional rate of TDS u/s. 115E, document evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange. The document can be in the form of either (a) extract of relevant pages of demat account or (b) bank certificate.
   e. Certificate u/s. 195 or 197, in case any concession is claimed on that basis
   f. Tax Residence Certificate where the non resident claiming any benefit under a DTAA

   In addition, such shareholder will also be required to provide (i) nationality in case of an individual (ii) country of Incorporation / Registration in case of any shareholder other than an individual (iii) Tax identification number / unique number by which the shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'

2. Documents required from FIIs (and its sub – account) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014):

   a. Self Attested copy of PAN Card
   b. Self Attested copy of SEBI registration certificate as FII (including sub–account of FII) / or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014)
   c. Certificate u/s. 195 or 197, in case any concession is claimed on that basis(applicable only for the interest payment, if any)
   d. Tax Residence Certificate where the FII (including sub–account of FII) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) claiming any benefit under a DTAA(applicable only for the interest payment, if any)

   In addition, FIIs (including sub–account of FII) or an FPI registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014) will also be required to provide (i) nationality in case of an individual (ii) country of

Incorporation / Registration in case of any Equity Shareholder other than an individual (iii) Tax identification number / unique number by which the Equity Shareholder is identified in the country of his / its residence (iv) period for which the Tax Residence Certificate is issued and (v) Address of the shareholder for the period for which Tax Residence Certificate is issued, if any of these information is not contained in the 'Tax Residence Certificate'(applicable only for the interest payment, if any)

3. <u>Documents required from resident Equity Shareholders:</u>

   a. Self attested copy of PAN card
   b. Certificate u/s. 197, in case any concession is claimed on that basis (applicable only for the interest payment, if any)
   c. If applicable, self declaration forms in Form 15G Form 15H (in duplicate) (applicable only for interest payment, if any).
   d. SEBI registration certificate as a mutual fund (applicable only for the interest payment, if any)
   e. Documentary evidence in support of the claim that no tax should be deducted at source on interest payable if the shareholder bank or entity are covered by exception provided in Section 194A(3)(iii) of the Income Tax Act (applicable only for the interest payment, if any)
   f. SEBI registration certificate issued as Category I or Category II Alternative Investment Fund (applicable only for the interest payment, if any)

8.6.3 In accordance with Notification No.86/2013 F.No.504/05/2003-FTD-I]/So 3307(E) read with Press Release dated 1-11-2013 issued under section 94A of the Income Tax Act, the payments made by the Acquirer to non-resident Equity Shareholders resident of Cyprus would be subjected to deduction of tax at source at the rate of 30% or the rates prescribed under the Act, whichever is higher (including surcharge and education cess).

8.6.4 Equity Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

The Acquirer / PAC will be statutorily required to apply the rates and other provisions related to tax deduction at source as applicable at the time of acceptance of shares under open offer / payment to shareholders.

Taxes once deducted will not be refunded under any circumstances.

9 DOCUMENTS FOR INSPECTION

9.1 Copies of the following documents will be available for inspection at the registered office of the Manager to the Offer at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, Maharashtra, India (Tel: +91 22 2288 2460/2288 2470, Fax: +91 22 2282 6580). The documents can be inspected during normal business hours (11.00 AM to 4.00 PM) on all working days (except Saturdays and Sundays) during the period from the date of this Draft Letter of Offer, till date of expiry of the Tendering Period.

9.1.1 Certificate of incorporation, memorandum of association and articles of association of the Acquirer and PAC.

9.1.2 Copy of certificate dated November 04, 2015 from Kirit Sheth (Membership No. 37824), proprietor of M/s K.J. Sheth & Associates (Chartered Accountants), 2nd Floor, Seksaria Chambers, 139, N.M. Road, Fort, Mumbai – 400 001 (Tel. No. 022-22671618; E-mail ID: kirit.sheth@kjsa.org), certifying that the Acquirer and the PAC collectively have adequate resources to fulfill their financial obligations under this Offer.

9.1.3 Copies of the annual reports for the Target Company for the FY ended March 31, 2015, 2014 and 2013.

9.1.4 Escrow agreement dated November 5, 2015, between the Acquirer, PAC, Kotak Mahindra Bank Limited and the Manager to the Offer.

9.1.5 Letter from Kotak Mahindra Bank confirming the amount kept in the Escrow Account.

9.1.6 A copy of the SPA dated November 4, 2015 entered into between the Acquirer, PAC, Sellers and the Target Company.

9.1.7 A copy of the Public Announcement submitted to BSE, NSE and ASE on November 4, 2015.

9.1.8 Published copy of the Detailed Public Statement, published on behalf of the Acquirer and PAC on November 9, 2015.

9.1.9 SEBI Observation letter No. [•] dated [•], on the Draft Letter of Offer.

9.1.10 Copy of the recommendation made by the Target Company's committee of independent directors, as issued under Regulation 26(7) of the SEBI (SAST) Regulations.

9.1.11 A copy of the agreement entered into with the DP for opening the Special Depository Account.

10 DECLARATION BY THE ACQUIRER AND PACs

Unless stated otherwise, the Acquirer and PAC accept full responsibility for the information contained in the Draft Letter of Offer other than such information as has been obtained from public sources or provided or confirmed by the Target Company (as specified in this Draft Letter of Offer).

Each of the Acquirer and PAC shall be jointly and severally responsible for ensuring compliance with the SEBI (SAST) Regulations.

The persons signing this Draft Letter of Offer on behalf of the Acquirer and PAC have been duly and legally authorized by the respective boards of directors to sign this Draft Letter of Offer.

For and on behalf of the Acquirer

Sd/-

____

Authorised signatory)

For and on behalf of PAC

Sd/-

____

(Authorised signatory)

Place: Mauritius

Date: November 18, 2015