

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer ('LoF') is sent to you as a shareholder(s) of Artech Power Products Limited ('Target Company'). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed(s) to the Members of Stock Exchange through whom the said sale was affected.

OPEN OFFER BY Mr. Bhadresh Vasantrai Mehta ('Acquirer 1') and Mr. Parth Bhadresh Mehta ('Acquirer 2') Resident of 402, Manju Apartment, 2-A, Narayan Dhabolkar Road, Mumbai-400 006. (Tel No: +91 22 6117 1101, Email: service@bhadreshindia.com) To the shareholders of ARTECH POWER PRODUCTS LIMITED (CIN: L31104KL1989PLC005478) Registered Office: Anitha, 2nd Floor, S A Road, Elamkulam, Cochin-682 020, Kerala Tel: +91 484 2203697, E-Mail ID: artech.power@gmail.com Website: www.artechpower.com To acquire 37,89,342 Equity Shares of ₹10 each representing 25.54% of the paid up and Emerging Voting Capital at a price of ₹10.50 (Rupees Ten and Paise Fifty only) per share ('Offer Price'), payable in cash
• This Offer is being made by the Acquirers pursuant to Regulation 3(1) and 4 of SEBI (SAST) Regulations 2011. • This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company. • As on date of this Letter of Offer, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Open Offer. However, the Open Offer would be subject to all the statutory approvals that may become applicable at a later date but before the completion of the Open Offer. • If there is any upward revision in the Offer Price/Offer Size at any time up to three (3) working days prior to commencement of the Tendering Period i.e. up to October 30, 2014 (Thursday) in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement (DPS) was published. Such revised Offer Price would be payable to all the shareholders, who have validly tendered their shares anytime during the Tendering Period to the extent their shares have been verified and accepted under the Offer, by the Acquirers. If the Offer is withdrawn pursuant to Regulation 23 of the SEBI (SAST) Regulations, 2011, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the DPS had been published. • If there is a competing offer: The public offers under all the subsisting bids shall open and close on the same date. • A copy of the Public Announcement ('PA'), Detailed Public Statement ('DPS') and this Letter of Offer (including Form of Acceptance cum Acknowledgment) are also available on the website of Securities and Exchange Board of India ('SEBI') at www.sebi.gov.in.

MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
	Mark Corporate Advisors Private Limited CIN: U67190MH2008PTC181996 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057 Tel. No.: +91 22 2612 3207 Fax No.: +91 22 2612 3208 Contact Person: Mr. Manish Gaur Email: openoffer@markcorporateadvisors.com SEBI Reg. No.: INM000012128		Purva Sharegistry (India) Pvt. Ltd 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai-400 011 Tel: +91 22 2301 8261/6761 Fax: +91 22 2301 2517 Website: www.purvashare.com E-Mail: busicomp@vsnl.com Contact Person: Mr. V B Shah SEBI Reg. No.: INR000001112
	Offer Opens on November 05, 2014		Offer Closes on November 19, 2014

TENTATIVE SCHEDULE OF ACTIVITIES PERTAINING TO THE OFFER:

Nature of Activity	Day & Date
Date of the PA	Friday September 05, 2014
Date of publishing the Detailed Public Statement	Friday, September 12, 2014
Last date for filing of Draft Letter of Offer with SEBI	Friday, September 19, 2014
Last date of a competing offer	Wednesday, October 08, 2014
Latest date by which SEBI's observations will be received	Wednesday, October 15, 2014
Identified Date*	Friday, October 17, 2014
Last date by which the Letter of Offer will be dispatched to the Shareholders' (Except the Acquirers and the Selling Shareholders) as on the identified date	Tuesday, October 28, 2014
Last Date for revising the Offer Price/number of shares	Thursday, October 30, 2014
Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	Friday, October 31, 2014
Date of pre offer advertisement for Opening the Offer	Monday, November 03, 2014
Date of Commencement of the Tendering Period (Offer opening date)	Wednesday, November 05, 2014
Date of Closing of the Tendering Period (Offer closing date)	Wednesday, November 19, 2014
Last date for communicating Rejection/acceptance and payment of consideration for accepted equity shares or equity share certificate/return of unaccepted share certificates/credit of unaccepted shares to demat account	Wednesday, December 03, 2014

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent. It is clarified that all the shareholders (registered or unregistered) of the Target Company (except the Acquirers and the Selling shareholders) are eligible to participate in this Offer any time during the tendering period of the Offer.*

RISK FACTORS:

Given below are the risks related to the proposed Offer and those associated with the Acquirers:

Relating to the Proposed Offer:

1. This Offer is not subject to the receipt of any statutory approvals. However, in case of any such applicability on a later date and therefore, in the event that either the statutory approvals or regulatory approvals, if any, are not received in a timely manner or there is any litigation to stay the Offer, or SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of Target Company, whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirers agreeing to pay interest for the delayed period, if directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
2. In case of over-subscription in the Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
3. The Registrar to the Offer will hold in trust the dematerialized shares credited to the Demat Escrow Account, Share Certificates, Form of Acceptance, if any, and the Transfer Deed (s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the completion of the Offer formalities.
4. Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw their shares, even if the acceptance of equity shares under this Offer and despatch of consideration are delayed.

Relating to the Acquirers:

1. The Acquirers makes no assurance with respect to the financial performance of the Target Company and its investment/divestment decisions relating to its proposed shareholding in the Target Company.
2. The Acquirers cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
3. The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement (PA)/Detailed Public Statement (DPS)/Letter of Offer (LoF) and anyone placing reliance on any other sources of information, not released by the Acquirers, would be doing so at his / her / its own risk.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer.

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1. ABBREVIATIONS / DEFINITIONS

Acquirer 1	Mr. Bhadresh Vasantraai Mehta
Acquirer 2	Mr. Parth Bhadresh Mehta
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended or modified from time to time and the Companies Act, 2013
CSE	Cochin Stock Exchange Limited
DP	Depository Participant
DPS / Detailed Public Statement	Detailed Public Statement relating to the Offer published on September 12, 2014 (Friday)
Draft Letter of Offer / DLoF	This Draft Letter of Offer dated September 19, 2014
DSE	Delhi Stock Exchange Limited
Eligible Persons for the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at any time before the Closure of the Offer (except Acquirers and the Selling Shareholders).
Emerging Voting Capital	Emerging Voting capital of the Target Company, as of the 10 th Working Day from the Closure of the Tendering Period of the Offer (as calculated in paragraphs 3.2.6 and 5.6 below)
Equity Shares	Fully paid-up equity shares of the Target Company of the face value of ₹10 (Rupees Ten only) each
Escrow Account	Shall have the meaning given to it in paragraph 6.2.3 of this Letter of Offer
Escrow Amount	Shall have the meaning given to it in paragraph 6.2.3 of this Letter of Offer
Escrow Bank	HDFC Bank Limited
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor registered with SEBI
Form of Acceptance	Form of Acceptance cum Acknowledgement, accompanying with this Letter of Offer
Identified Date	October 17, 2014 (Friday) i.e. date falling on the tenth (10 th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Public Shareholders to whom this Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
₹/ INR / Rs.	Indian Rupees, the legal currency of India
MSE	Madras Stock Exchange Limited
Manager / Manager to the Offer	Mark Corporate Advisors Private Limited
MICR	Magnetic Ink Character Recognition
NA/N.A.	Not Applicable
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target Company
NRI	Non-Resident Indians
NSDL	National Securities Depositories Limited
OCBs	Overseas Corporate Bodies
Offering period	Period from the date of release of Public Announcement to the date of payment of consideration
Offer/Open Offer	The Open Offer made by the Acquirers to the public shareholders of the Target Company for the acquisition of 25.54% of the Emerging Voting Capital in accordance with the Regulations. Pursuant to Share Purchase Agreement (SPA) for 49,373 Equity Shares (0.33% of the Emerging Voting Capital) and Preferential Allotment to the Acquirers of

	1,10,00,000 Equity Shares (74.13% of the Emerging Voting Capital), the balance available is only 37,89,342 Equity Shares (25.54% of the Emerging Voting Capital) and hence the Offer size is restricted to 25.54% of the Emerging Voting Capital only as against 26% required under Regulation 7(1) of the Regulations
Offer Price	₹10.50 (Rupees Ten and Paise Fifty only) per Equity Share
Offer Size	37,89,342 Equity Shares representing 25.54% of the paid up and Emerging Voting Capital of the Target Company at a price of ₹10.50 (Rupees Ten and Paise Fifty only) per equity share, aggregating to ₹3,97,88,091 (Rupees Three Crores Ninety Seven Lacs Eighty Eight Thousand and Ninety One only)
PA / Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirers on September 05, 2014 (Friday)
Promoters	Promoter and Promoter Group of the Artech Power Products Limited as per Clause 35 of the Listing Agreement entered with Stock Exchanges
Preferential Issue	Issue and allotment of 1,46,50,000 Equity Shares at par comprising of 1,10,00,000 shares representing 74.13% of the Emerging Voting Capital to the Acquirers (66,00,000 Equity Shares representing 44.48% to Acquirer 1 and 44,00,000 Equity Shares representing 29.65% to Acquirer 2) and balance 36,50,000 shares to non-promoter shareholders, subject to approval of the shareholders of the Target Company at its Extra Ordinary General Meeting to be held on September 30, 2014.
Public Shareholder(s)	The Equity Shareholder(s) of The Target Company excluding the parties to the Share Purchase Agreement but including proposed non-promoter allottees under Preferential Allotment.
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Purva Shareregistry (India) Pvt. Ltd
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
Sale Shares	49,373 shares held by the Sellers comprising 26.16% of the existing total paid-up capital of the Company as on the date;
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (SAST) Regulations / SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
SEBI (SAST) Regulations 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof
Selling Shareholders/Sellers	Mr. Nirmal Kumar Ramnath Tiwari and Mr. Vikram Kumar Karanraj Sakaria who form part of the Promoter/Promoter Group
SPA	Share Purchase Agreement dated September 05, 2014 for purchase of 49,373 paid up Equity Shares of APPL of ₹10 each, representing up to 0.33% of Emerging Voting Capital from the Selling Shareholders by Acquirers at a price of ₹10/- each per fully paid up Share.
Stock Exchange(s)	BSE Ltd (BSE), Madras Stock Exchange Limited (MSE), Cochin Stock Exchange Limited (CSE) and Delhi Stock Exchange Limited (DSE).
Target Company/APPL	Artech Power Products Limited
Tendering Period / Offer Period	Period within which Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e. the period between and including November 05, 2014 (Wednesday) and November 19, 2014 (Wednesday)
Voting Capital	Total Equity Shares of the Target Company carrying voting rights.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 SHAREHOLDERS OF ARTECH POWER PRODUCTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES AND 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 ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, MARK CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 19, 2014 (FRIDAY) TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS 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.

3. DETAILS OF THE OFFER

3.1 BACKGROUND OF THE OFFER

3.1.1 This Open Offer ('Offer') is being made by Mr. Bhadresh Vasantrai Mehta ('Acquirer 1') and Mr. Parth Bhadresh Mehta ('Acquirer 2') to the equity shareholders of Artech Power Products Limited ('APPL'/ 'Target Company'), pursuant to and in compliance with Regulation 3(1) and 4 of the SEBI (SAST) Regulations, 2011 for substantial acquisition of shares/voting rights and accompanied by Control over the Target Company.

3.1.2 Following are the details regarding the transactions which triggered the Open Offer:

- a) The Board of Directors of the Target Company at its meeting held on September 05, 2014, has approved, subject to compliance with applicable laws and regulations, receipt of approval of the shareholders and other necessary approvals, the issuance, by way of a preferential allotment pursuant to the provisions of Section 62 of the Companies Act, 2013 and other applicable legal provisions, including Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ["SEBI (ICDR) Regulations"] of 1,10,00,000 Equity Shares to the Acquirers (66,00,000 shares to Acquirer 1 and 44,00,000 shares to Acquirer 2) such that the post Preferential Allotment shareholding of the Acquirers in the Target Company is 74.13% (without taking into consideration the Equity Shares that may be acquired by the Acquirers under this Offer and the Equity Shares that are proposed to be purchased from the Sellers pursuant to the Share Purchase Agreement dated September 05, 2014) and 36,50,000 shares to the non-promoters. Further, pursuant to the intimations to the Stock Exchanges, the Target Company has fixed the price for the Preferential Allotment at ₹10 per Equity Share, in accordance with Chapter VII of the SEBI (ICDR) Regulations. The approval of the shareholders of the Target Company for the Preferential Allotment has been sought in the Extra Ordinary General Meeting to be held on September 30, 2014.
- b) The Share Purchase Agreement ('SPA') has been entered between Acquirers and the Selling Shareholders ('Promoters of the Target Company') dated September 05, 2014. The Acquirers have agreed to purchase entire Promoter holding i.e. 49,373 (0.33% of the Emerging Voting

Capital) Equity Shares of ₹10 each at price of ₹10 per share. The details of the same are as under:

Sr. No.	Name & PAN	Address	Part of Promoter Group (Yes/No)	Details of Shares/Voting Rights held by the Selling Shareholders			
				Pre Transaction		Post Transaction	
				No of Shares*	%	No of Shares	%
1.	Mr. Vikram Kumar Karanraj Sakaria PAN: AEAPS1142R	12, Ratnakalash Apt, 9, Satya Narayan Society, Ramnagar, Sabarmati, Ahmedabad-380 005	Yes	30,218	0.20	NIL	NIL
2.	Mr. Nirmal Kumar Ramnath Tiwari PAN: AAZPT3562B	21, Surdhara Bunglow, Drive In Road, Thaltej, Ahmedabad-380 054	Yes	19,155	0.13	NIL	NIL
	TOTAL			49,373	0.33	NIL	NIL

* The shares held at present in Demat Account is 9,87,600 Equity Shares which will get reduced to 49,373 shares on account of Capital Reduction vide Order dated July 23, 2014 of the Honourable Kerala High Court. The Record Date for this purpose was fixed as August 26, 2014 and the necessary corporate action will be done after receipt of listing approval of BSE.

3.1.3 Mr. Bhadresh Vasantraai Mehta ('Acquirer 1') and Mr. Parth Bhadresh Mehta ('Acquirer 2') is making an Open Offer for acquisition of 37,89,342 equity shares of ₹10 each, constituting 25.54% of the Emerging Voting Capital of the Target Company at a price of ₹10.50 (Rupees Ten and Paise Fifty only) per fully paid-up equity share ("Negotiated Price"), aggregating to ₹3,97,88,091 (Rupees Three Crores Ninety Seven Lacs Eighty Eight Thousand and Ninety One only) ("Maximum Consideration") payable in cash.

3.1.4 Salient Features of SPA:

(a.) The Sellers shall sell to the Acquirers and the Acquirers shall, subject to the fulfilment of the conditions specified and relying on the several representations and undertakings of the Sellers, purchase the Sale Shares, free from all encumbrances and defects for the Purchase Price and on the terms and conditions hereinafter contained.

(b.) The Acquirers shall acquire the Sale Shares as given hereunder:

Name of Acquirer	Number of Shares	% of present paid up Capital
Mr. Bhadresh Vasantraai Mehta	30,218	16.01
Mr. Parth Bhadresh Mehta	19,155	10.15
Total	49,373	26.16

(c.) The Purchase Consideration for the Sale Shares shall be at the rate of ₹10/- (Rupees Ten only) per share. The Acquirers shall pay the Purchase Consideration relatable to the Sale Shares acquired by such Acquirers.

(d.) The Purchase Consideration has been fixed on the basis of the assets and liabilities disclosed in the audited annual accounts of the Company for the financial year ended on March 31, 2014 the unaudited semi-annual accounts for the period from April 01, 2014 to June 30, 2014.

- (e.) The aggregate Purchase Consideration for the Sale Shares i.e. sum of ₹4,93,730/- (Rupees Four Lakhs Ninety Three Thousand Seven Hundred and Thirty only) would be paid to the Sellers as follows :
- (i.) A sum of ₹2,50,000 (Rupees Two Lakhs Fifty Thousand only) per Sale Share as earnest money or deposit would be to the Sellers simultaneously with the execution of Share Purchase Agreement (the payment and receipt whereof the Seller hereby admit and acknowledge), and
- (ii.) A sum of Rs. 2,43,730/- (Rupees Two Lakhs Forty Three Thousand Seven Hundred and Thirty only) would be paid to the Sellers at the time of completion of the Open Offer.
- (f.) The sale and purchase of the Sale Shares shall be subject to compliance with the provisions of the SEBI (SAST) Regulations.
- (g.) In case of non-compliance with any of the provisions of the SEBI (SAST) Regulations, this agreement for sale of the Sale Shares shall not be acted upon by either Sellers or the Acquirers.
- 3.1.5 The Shares acquired through SPA will be transferred to the Demat Escrow Account namely **'APPL SELLING SHAREHOLDERS ESCROW ACCOUNT-OPERATED BY-MCAPL'**, opened with Sunteck Wealthmax Capital Private Limited (Depository Participant), whose operating authority rests with the Manager to the Offer immediately after the ISIN is activated.
- 3.1.6 There is an informal arrangement between the Acquirers with regard to the Offer/Acquisition of Shares.
- 3.1.7 The Proposed change in control of the Target Company is not through any Scheme of Arrangement.
- 3.1.8 The Acquirers 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 other regulations made under the SEBI Act.
- 3.1.9 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period i.e. Friday, October 31, 2014 in the same newspaper where the DPS of the Offer was published. A copy whereof shall be sent to SEBI, BSE, CSE, DSE, MSE and Manager to the Offer and in case of a competing offer/s to the Manager/s to the Open Offer for every competing offer.
- 3.1.10 No other person / individual / entity are acting in concert with the Acquirers for the purpose of this Offer in terms of Regulation 2 (1) (q) of the SEBI (SAST) Regulations.

3.2 DETAILS OF THE PROPOSED OFFER

The PA announcing the Open Offer, under Regulation 3(1) and 4, read with Regulation 13, 14 and 15 of the SEBI (SAST) Regulations, was made on September 05, 2014 (Friday) and informed to BSE Ltd (BSE), Cochin Stock Exchange Limited (CSE), Delhi Stock Exchange Limited (DSE), Madras Stock Exchange (MSE) and the Target Company on the same day and a copy thereof was also filed with the SEBI on September 08, 2014.

- 3.2.1 In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, the DPS was published on September 12, 2014 (Friday) in the following newspapers:

Publication	Language	Edition(s)
Financial Express	English	All Editions
Jansatta	Hindi	All Editions

Mumbai Lakshadweep	Marathi	Mumbai
Deshabhimani	Malayalam	Cochin Edition

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

- 3.2.2 Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was filed through the Manager to the Offer with SEBI and sent to BSE, CSE, DSE, MSE and the Target Company at its Registered Office.
- 3.2.3 This Offer has been made pursuant to Preferential Allotment of 1,10,00,000 fully paid up Equity shares at par representing 74.13% of the Emerging Voting Capital and also upon the execution of the Share Purchase Agreement entered into by the Acquirers with the Sellers. As per the Share Purchase Agreement, the Acquirer has agreed to purchase, in aggregate, 49,373 Equity Shares representing 0.33% of the Emerging Voting capital from the Sellers, for cash, at a price of ₹10 per Equity Shares
- 3.2.4 The Offer is being made by the Acquirers to the public shareholders of the Target Company, to acquire 37,89,342 Equity Shares representing 25.54% of the Emerging Voting Capital of the Target Company at a price of ₹10.50 (Rupees Ten and Paise Fifty only) ('Offer Price'), payable in cash subject to the terms and conditions set out in the PA, DPS and this DLoF.
- 3.2.5 The calculation of the Emerging Voting Capital of the Target Company and the Offer Size is as follows:

Particulars	Issued and Paid up Equity Shares and Voting Rights	% of Equity Shares/ Voting Capital
Fully paid up Equity Shares as on the date of PA	1,88,715	100.00%
Partly paid up Equity Shares as on the date of PA	NIL	NIL
TOTAL	1,88,715	100.00%

Emerging Voting Capital (As on the 10th working day from the closure of the Tendering Period of the Offer)	
Equity Shares as on the date of PA (A)	1,88,715
Add: Equity shares proposed to be issued pursuant to the Preferential Allotment (B)	1,46,50,000
Emerging Voting Capital (A+B)	1,48,38,715
Offer Size (25.54% of the Emerging Voting Capital)	37,89,342

- 3.2.6 There are no partly paid up Equity Shares in the Target Company. Further, there is no differential pricing for the Offer.
- 3.2.7 This is not a Competitive Bid in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 3.2.8 The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders. In terms of Regulation 19(1) of the SEBI (SAST) Regulations, the Acquirers will accept those Equity Shares of the Target Company which are tendered in valid form in terms of this Offer up to a maximum of 37,89,342 Equity Shares representing 25.54% of the Emerging Voting Capital of the Target Company.
- 3.2.9 The Acquirers have not acquired any shares of the Target Company after the date of PA i.e. September 05, 2014 (Friday), up to the date of this DLoF.
- 3.2.10 As on date, the Manager to the Offer, Mark Corporate Advisors Private Limited does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.

- 3.2.11 The Equity Shares of the Target Company acquired by the Acquirers shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.12 The acquisition of Equity Shares under the Offer (assuming full acceptance) may result in public shareholding in Target Company being reduced below 25% of the Emerging Voting Capital, which is the minimum level required as per the listing agreement entered into by the Target Company with the Stock Exchanges (the "Listing Agreements"). Accordingly, the Acquirers undertake that they shall take necessary steps to facilitate compliance of the Target Company with the minimum public shareholding norms as set out in the Listing Agreements and Securities Contracts (Regulation) Rules, 1957 within the time stipulated therein.

3.3 OBJECT OF THE OFFER

- 3.3.1 This Offer is being made to the public shareholders of Target Company pursuant to and in compliance with regulation 3(1) and 4 of the SEBI (SAST) Regulations.
- 3.3.2 The object of acquisition is to acquire substantial shares/voting rights accompanied by control over the Target Company. At present, the Acquirers does not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirers may continue to support the existing business of the Target Company. However, the Acquirers intend to build new businesses by diversification and/or acquisition of companies in the areas where the Board of Directors deems fit with the prior approval of the Shareholders. The Acquirers may reorganize the present Capital structure of the Company and also further strengthen the Board.
- 3.3.3 The Acquirers does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of regulation 25(2) of SEBI (SAST) Regulations.

4. BACKGROUND OF THE ACQUIRERS

4.1 Details of the Acquirers:

- 4.1.1 **Mr. Bhadresh Vasantrai Mehta ('Acquirer 1')**, S/o Mr. Vasantrai Mehta, aged about 57 years is an under graduate and residing at 402, Manju Apartment, 2-A, Narayan Dhabolkar Road, Mumbai-400 006 (Tel No.: +91 22 6117 1101, Fax No.: +91 22 2490 1329 Email: service@bhadreshindia.com). His Permanent Account Number (PAN) is AACPM0152D. He has a combined experience of more than 35 years in domestic and international trading business mainly in cotton, yarn, etc.

The Net worth of Mr. Bhadresh Vasantrai Mehta as on August 31, 2014 as certified by Mr. James K Shah (Membership No. 36195) of M/s. James Shah & Co., Chartered Accountant having office at 230/231, Majestic Shopping Centre, 2nd floor, 144, J. S. S Road (Girgaon), Mumbai-400 004 Tel. No.: +91 22 2388 8781 / +91 22 6450 5421, Fax No.: +91 22 6631 4074; Email: jamesshah_007@hotmail.com vide certificate dated September 05, 2014 is ₹16,65,19,258.

The major entities promoted/controlled/managed by Mr. Bhadresh Vasantrai Mehta are as under:

Sr. No.	Name of the Company	Current Designation
1)	Kin-tex Engineers Private Limited	Director
2)	Bhadresh Trading Corporation Limited	Director
3)	Bhadresh Natural Resources Private Limited	Director
4)	Bhadresh Infra Venture Private Limited	Director
5)	Giriraj Gining & Pressing Private Limited	Director
6)	Britex Cotton International Limited	Director

7)	Cotton Association of India	Director
8)	Bhadresh Agro Venture Limited (<i>formerly known as Bhadresh Agro Venture Private Limited</i>)	Director
9)	BTC Cashcot Industries Limited	Director
10)	Bhadresh Agro Industries Pte Ltd	Director
11)	Lavan Salt Private Limited	Director

Note: None of the above entities are listed on any Stock Exchanges.

- 4.1.2 **Mr. Parth Bhadresh Mehta ('Acquirer 2')**, S/o Mr. Bhadresh Vasantrai Mehta, aged about 26 years is a B.E. in Computers and residing at 402, Manju Apartment, 2-A, Narayan Dhabolkar Road, Mumbai-400 006 (Tel No.: +91 22 6117 1101, Fax No.: +91 22 2490 1329 Email: service@bhadreshindia.com). His Permanent Account Number (PAN) is ANWPM9376N. He has a combined experience of more than 4 years in trading (Export & Import) of cotton, yarn, cashew nuts, etc.

The Net worth of Mr. Parth Bhadresh Mehta as on August 31, 2014 as certified by Mr. James K Shah (Membership No. 36195) of M/s. James Shah & Co., Chartered Accountant having office at 230/231, Majestic Shopping Centre, 2nd floor, 144, J. S. S Road (Girgaon), Mumbai-400 004 Tel. No.: +91 22 2388 8781 / +91 22 6450 5421, Fax No.: +91 22 6631 4074; Email: jamesshah_007@hotmail.com vide certificate dated September 05, 2014 is ₹5,41,24,950.

The major entities promoted/controlled/managed by Mr. Parth Bhadresh Mehta are as under:

Sr. No.	Name of the Company	Current Designation
1)	Bhadresh Agro Venture Limited (<i>formerly known as Bhadresh Agro Venture Private Limited</i>)	Director
2)	Bhadresh Trading Corporation Limited	Director
3)	Bhadresh Natural Resources Private Limited	Director
4)	Bhadresh Infra Venture Private Limited	Director
5)	Giriraj Gining & Pressing Private Limited	Director
6)	Britex Cotton International Limited	Director
7)	BTC Cashcot Industries Limited	Director
8)	Bhadresh Agro Industries Pte Ltd	Director

Note: None of the above entities are listed on any Stock Exchanges.

- 4.1.3 None of the entities mentioned under 4.1.1 and 4.1.2 above are participating or interested or acting in concert in this Open Offer.

- 4.1.4 The Acquirers belong to Bhadresh Group of Companies.

- 4.1.5 Mr. Bhadresh Vasantrai Mehta ('Acquirer 1') is the father of Mr. Parth Bhadresh Mehta ('Acquirer 2').

- 4.1.6 As on the date of DPS, none of the Acquirers hold any shares and have neither acquired any shares in the past of the Target Company, except those shares whose details are given under 4.1.7 below.

- 4.1.7 The Acquirers does not hold any Equity Shares/ Voting Rights of the Target Company as on the date of the PA. However:

- (a.) The Acquirers and the Sellers (Promoters of the Target Company) have entered into a Share Purchase Agreement dated September 05, 2014 ("Share Purchase Agreement"/"SPA"), pursuant to which, the Acquirers have agreed to purchase from the Sellers 49,373 Equity Shares, representing 0.33% of the Emerging Voting Capital. Mr. Bhadresh Vasantrai Mehta has agreed to acquire 30,218 Equity Shares at ₹10 each from Mr. Vikram Kumar Karnaraj Sakaria (0.20% of the Emerging Voting Capital) and Mr. Parth Bhadresh Mehta has agreed to

acquire 19,155 Equity Shares at ₹10 each from Mr. Nirmal Kumar Ramnath Tiwari (0.13% of the Emerging Voting Capital).

(b.) Pursuant to the Preferential Allotment of 1,46,50,000 Equity Shares which is subject to approval by the shareholders of the Target Company and other conditions precedent, the Acquirers will hold 1,10,00,000 Equity Shares representing 74.13% of the Emerging Voting Capital. Mr. Bhadresh Vasantra Mehta will hold 66,00,000 Equity Shares at ₹10 each (44.48% of the Emerging Voting Capital) and Mr. Parth Bhadresh Mehta will hold 44,00,000 Equity Shares at ₹10 each (29.65% of the Emerging Voting Capital) through Preferential Allotment in the Target Company.

4.1.8 Neither the Acquirers nor any of the Company with which the Acquirers are associated with, are in Securities related business and registered with SEBI as a Market Intermediary.

4.1.9 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other regulations made under the SEBI Act, 1992.

4.1.10 As of the date of this DLoF, Acquirers does not have any interest in the Target Company and there are no Directors representing the Acquirers on the Board of Directors of the Target Company.

4.1.11 There are no persons acting in concert in relation to the Offer within the meaning of 2(1)(q)(1) of the SEBI (SAST) Regulations.

5. BACKGROUND OF THE TARGET COMPANY-ARTECH POWER PRODUCTS LIMITED

5.1 The Target Company, Artech Power Products Limited bearing CIN No. L31104KL1989PLC005478 was incorporated on September 15, 1989 in the State of Kerala under the Companies Act, 1956. There has been no change in the name of the Company during the last three years.

5.2 The Registered Office of the Target Company is situated at Anitha, 2nd Floor, S A Road, Elamkulam, Cochin-682 020, Kerala.

5.3 The main object of the Target Company as per Memorandum of Association inter-alia includes carrying on business as manufacturing, processing, assembling, testing, purchasing, exporting, importing all types of electronic, electrical and micro processor based power supplies, power convertors, power regulators and control stations, etc. Presently, the Target Company is not carrying on any business activity.

5.4 The Authorized Share Capital of the Target Company is ₹5,00,00,000 comprising of 40,00,000 Equity Shares of ₹10 each and 1,00,000 Redeemable Preference Shares of ₹100 each. The same will be increased to ₹17,00,00,000 comprising of ₹1,60,00,000 Equity shares of ₹10 each and 1,00,000 Redeemable Preference Shares of ₹100 each after approval of Shareholders in the EGM to be held on September 30, 2014.

5.5 The Issued, Subscribed and paid up Share Capital of the Target Company was ₹3,77,43,000 comprising of 37,74,300 Equity Shares of ₹10 each. However, vide Order dated July 23, 2014 of Honourable Kerala High Court, the paid up capital of the Target Company got reduced in the ratio of 1:20 to ₹18,87,150 comprising of 1,88,715 Equity Shares of ₹10 each. The Record Date for this purpose was fixed as August 26, 2014.

5.6 Details of the voting share capital as of the date of this Draft Letter of Offer are as follows:

Particulars	Issued and Paid up Equity Shares and Voting Rights	% of Equity Shares/ Voting Capital
Fully paid up Equity Shares as on the date of PA	1,88,715	100.00%
Partly paid up Equity Shares as on the date of PA	NIL	NIL
TOTAL	1,88,715	100.00%

Emerging Voting Capital (As on the 10th working day from the closure of the Tendering Period of the Offer)	
Equity Shares as on the date of PA (A)	1,88,715
Add: Equity shares proposed to be issued pursuant to the Preferential Allotment (B)	1,46,50,000
Emerging Voting Capital (A+B)	1,48,38,715
Offer Size (25.54% of the Emerging Voting Capital)	37,89,342

- 5.7** The Board of Directors of the Target Company at its meeting held on September 05, 2014, has approved, subject to compliance with applicable laws and regulations, receipt of approval of the shareholders and other necessary approvals, the issuance, by way of a preferential allotment pursuant to the provisions of Section 62 of the Companies Act, 2013 and other applicable legal provisions, including Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ["SEBI (ICDR) Regulations"] of 1,10,00,000 Equity Shares to the Acquirers such that the post preferential allotment shareholding of the Acquirers in the Target Company is 74.13% (without taking into consideration the Equity Shares that may be acquired by the Acquirers under this Offer and the Equity Shares that are proposed to be purchased from the Sellers pursuant to the Share Purchase Agreement dated September 05, 2014) and 36,50,000 shares to the non-promoters, thus totalling to 1,46,50,000 shares. Further, pursuant to the intimations to the Stock Exchanges, the Target Company has fixed the price for the Preferential Allotment at ₹10 per Equity Share, in accordance with Chapter VII of the SEBI (ICDR) Regulations. The approval of the shareholders of the Target Company for the Preferential Allotment has been sought in the Extra Ordinary General Meeting to be held on September 30, 2014.
- 5.8** The Promoters of the Target Company held 9,87,600 Equity Shares and on account of Capital Reduction their shareholding reduced to 49,380 equity shares. However, on account of fractions in Public category, their shareholding further reduced by 7 shares and hence their net holdings reduced to 49,373 equity shares which represents 26.16% of the paid up capital and 0.33% of the Emerging Voting Capital of the Target Company.
- 5.9** The Target Company was taken over by the existing promoters, viz. Mr. Vikram Kumar Karanraj Sakaria and Mr. Nirmal Kumar Ramnath Tiwari, in FY 2012-2013. The Offer Price was ₹1.25 per Equity Share.
- 5.10** The Target Company has filed a Consent Application with SEBI for non-compliance of Chapter V of SEBI Takeover Regulations, 2011/Chapter II of the SEBI Takeover Regulations, 1997.
- 5.11** There are currently no outstanding partly paid up shares or any other convertible instruments to be converted into Equity Shares of the Target Company at a future date.
- 5.12** There has been no merger / de-merger or spin off in the Target Company during the past three (3) years.
- 5.13** The equity shares of the Target Company are presently listed at BSE, CSE, DSE and MSE. However, Equity Shares of APPL are not frequently traded within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011. The ISIN of the Target Company is INE421N01013.

The Trading in the Equity Shares of the Target Company is suspended on DSE for Non-Compliance of the Listing Agreement Clauses. Further, the Target Company has not complied with the requirements of the Listing Agreement with MSE and CSE. No penal action has been

initiated by any of these Stock Exchanges against the Target Company. It is also suspended on BSE due to procedural reasons i.e. on account of Capital Reduction.

5.14 Details of the Board of Directors of Target Company:

As on the date of this Draft Letter of Offer, the Directors representing the Board of the Target Company are:

Sr. No	Name of the Director & DIN	Designation	Address of Director	Date of Appointment
1.	Mr. Nirmal Kumar Ramnath Tiwari DIN: 05233717	Managing Director	21, Surdhara Bunglow, Drive In Road, Thaltej, Ahmedabad-380 054	16/08/2012
2.	Mr. Vikram Kumar Karanraj Sakaria DIN: 05236323	Non Executive Director	12, Ratnakalash Apartment, 9, Satya Narayan Society, Ramnagar, Sabarmati, Ahmedabad-380 005	16/08/2012
3.	Mr. Anup Shivprasad Mundhra DIN: 06379133	Independent Director	M 4, Saundarya Apts, Opp. C.P. Nagar, Ghatlodiya, Ahmedabad-380 061	29/09/2012
4.	Mr. Jignesh Jaswantbhai Dave DIN: 06379141	Independent Director	A-4-12, Nirman Complex, R. C. Technical Road, Ghatlodiya, Ahmedabad-380 061	29/09/2012
5.	Mr. Rikenkumar Navinchandra Vira DIN: 06713042	Additional Non Executive Professional Director	Math Faliya, Bidada, Mandvi, Kutch-370 435	05/09/2014

5.15 The brief details of the audited financials of APPL for the last 3 financial years are given as under:

Profit & Loss Statement:

(In ₹)

For the year ended	March 31, 2014	March 31, 2013	March 31, 2012
Income:			
Income from Operations	-	10,000	3,85,500
Other Income	-	-	17,000
Total Income	-	10,000	4,02,500
Total Expenditure	4,62,285	3,86,264	13,78,963
Profit/(Loss) Before Depreciation, Interest and Tax	(4,62,285)	(3,76,264)	(9,76,463)
Interest & Bank Charges	(573)	(380)	(3,664)
Depreciation	-	-	-
Exceptional Item	-	-	-
Profit/ (Loss) Before Tax	(4,62,858)	(3,76,644)	(9,80,127)
Tax Expenses	-	-	-
Profit/ (Loss) After Tax	(4,62,858)	(3,76,644)	(9,80,127)

Balance Sheet Statement:

(In ₹)

As on	March 31, 2014	March 31, 2013	March 31, 2012
Sources of Funds:			
Paid up Share Capital	3,77,43,000	3,77,43,000	3,77,43,000
Reserves & Surplus	(3,84,73,660)	(3,80,10,802)	(3,76,34,158)
Less: Miscellaneous Expenditure	-	-	-
NETWORTH	(7,30,660)	(2,67,802)	1,08,842

As on	March 31, 2014	March 31, 2013	March 31, 2012
Non-Current Liabilities	24,93,000	19,92,521	16,30,521
Current Liabilities	-	11,236	11,236
TOTAL	17,62,340	17,35,955	17,50,599
Application of funds:			
Non-Current assets	-	-	-
Current Assets	17,62,340	17,35,955	17,50,599
TOTAL	17,62,340	17,35,955	17,50,599

Other Financial Data:

(In ₹)

Particulars	FY 2013-14	FY 2012-13	FY 2011-12
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (₹ per share)	(0.12)	(0.10)	(0.26)

(Source: Annual Reports for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012)

5.16 Pre and Post Offer Shareholding Pattern of the Target Company as on date of DLoF are as follows:

(All % figures given below are calculated on the Emerging Voting Shares)

Shareholders' Category	Shareholding & Voting Rights prior to the agreement/ acquisition and offer		Shares /voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding/ voting rights after the acquisition and offer.	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter/ Promoter Group								
a) Parties to agreement, if any								
Vikram Kumar Karanraj Sakaria	30,218	0.20	(30,218)	(0.20)	Nil	Nil	Nil	Nil
Nirmal Kumar Ramnath Tiwari	19,155	0.13	(19,155)	(0.13)	Nil	Nil	Nil	Nil
b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 1 (a+b)	49,373	0.33	(49,373)	(0.33)	Nil	Nil	Nil	Nil
(2) Acquirers								
a) Acquirer 1	Nil	Nil	66,30,218	44.68	22,73,605	15.32	89,03,823	60.00
b) Acquirer 2	Nil	Nil	44,19,155	29.78	15,15,737	10.22	59,34,892	40.00
Total 2 (a+b)	Nil	Nil	1,10,49,373	74.46	37,89,342	25.54	1,48,38,715	100.00
(3) Parties to agreement other than 1(a) & 2								
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(4) Public (other than parties to agreement and Acquirers)								
	1,39,342	0.94	36,50,000*	24.60	(37,89,342)	(25.54)	Nil	Nil
a) FIs/MFs/FIs/Banks, FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Others	Nil	Nil	Nil	Nil				
Total 4 (a+b)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
GRAND TOTAL (1+2+3+4)	1,88,715	1.27	1,46,50,000	98.73	Nil	Nil	1,48,38,715	100.00

* Shares proposed to be issued pursuant to the Preferential Allotment.

Note: Number of Shareholders under Public category as on June 30, 2014 is 10,887. (Source: BSE website)

5.17 The Compliance Officer of APPL is Mr. Nirmal Kumar Ramnath Tiwari, Managing Director of the Target Company.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

- 6.1.1 The Equity Shares of the Target Company are presently listed on BSE, CSE, DSE and MSE.
- 6.1.2 There has been no active trading in the shares of the Target Company during twelve calendar months before the month in which PA is made. Further, none of the Equity Shares are traded on MSE, CSE and DSE during the last 12 calendar months. The Equity Shares of APPL are not frequently traded shares within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011.

The Offer Price of ₹10.50 (Rupees Ten and Paise Fifty Only) is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations on the basis of the following:

Sr. No.	Particulars	Amount (In. ₹)
a)	Negotiated Price as per SPA	: 10
b)	Shares proposed to be acquired through Preferential Allotment	: 10
c)	The volume-weighted average price paid or payable for acquisition whether by the Acquirers or PACs, during 52 weeks preceding the date of PA	: Not Applicable
d)	The highest price paid or payable for any acquisition, whether by the Acquirers or PACs, during 26 weeks preceding the date of the PA	: Not Applicable
e)	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 public announcement 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 infrequently traded	: 4.35
f)	Other Financial Parameters as at:	31.03.2014
	(i.) Return on Net Worth	: (63.34)
	(ii.) Book Value Per Share	: (0.19)
	(iii.) Earnings Per Share	: (0.12)

The Fair Value of the Target Company is ₹4.23 (Rupee Four and Paise Twenty Three only) per share (pre reduction) as certified vide Valuation Report dated September 05, 2014 issued by M/s. Singhal & Sewak, Chartered Accountants (Firm Registration No. 011501C) having branch office at 8/9, B Wing, Divya Smruti, Opp. Toyota Showroom, Malad (West), Mumbai-400 064.

- 6.1.3 In view of the parameters considered and presented in the table above and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹ 10.50 (Rupees Ten and Paise Fifty only) per share is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations.
- 6.1.4 The shares of the Target Company are presently suspended on BSE due to procedural reasons i.e. on account of Capital Reduction. Necessary Corporate action will be done after getting listing approval from BSE Limited and the price will be determined as per the mechanism defined by the Stock Exchange (BSE Limited).
- 6.1.5 As on date, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers will comply with Regulation 18 and all the provisions of SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price or Offer Size.

- 6.1.6 In the event of further acquisition of Equity Shares of the Target Company by the Acquirers during the Offer Period, at a price higher than the Offer Price, then the Offer Price will stand revised equal to or more than the highest price paid for such acquisition in terms of regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirers will not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 6.1.7 If the Acquirers acquire Equity Shares of the Target Company during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, then they will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty (60) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.
- 6.1.8 As on date, there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirers is permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. If there is any such upward revision in the Offer Price by the Acquirers or in the case of withdrawal of Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers for all the shares validly tendered in the Offer.
- 6.1.9 In the event that the number of Equity Shares validly tendered by the Public Shareholders of the Target Company under the Offer is higher than the Offer Size, the Equity Shares received from the public shareholders shall be accepted on a proportionate basis, in consultation with the Manager to the Offer.

6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS

- 6.2.1 The total funds required for the implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 37,89,342 fully paid up Equity Shares at a price of `10.50 (Rupees Ten and Paise Fifty only) per Equity Share is `3,97,88,091 (Rupees Three Crores Ninety Seven Lacs Eighty Eight Thousand and Ninety One only) ("Maximum Consideration").
- 6.2.2 The Acquirers have adequate resources to meet the financial obligations of the Offer. No funds are borrowed from banks or financial institution for the purpose of this Offer by the Acquirers. James K Shah (Membership No. 36195) of M/s. James Shah & Co., Chartered Accountant having office at 230/231, Majestic Shopping Centre, 2nd floor, 144, J. S. S Road (Girgaon), Mumbai-400 004 Tel. No.: +91 22 2388 8781 / +91 22 6450 5421, Fax No.: +91 22 6631 4074; Email: jamesshah_007@hotmail.com, vide certificate dated September 05, 2014 have confirmed that sufficient resources are available with the Acquirers for fulfilling the obligations under this 'Offer' in full.
- 6.2.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened a Cash Escrow Account in the name & style of "APPL-OPEN OFFER ESCROW ACCOUNT" with HDFC Bank Limited, having Branch at HDFC Bank Limited, Manekji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai-400 001 bearing account number 00600350131390, and has deposited an amount of `1,00,00,000 (Rupees One Crore only), in cash, aggregating to 25.13% of the Maximum Consideration payable under the Offer. HDFC Bank Limited vide letter dated September 10, 2014 has confirmed the credit balance of `1,00,00,000 (Rupees One Crore only) as on September 08, 2014. The Acquirers have empowered the Manager to the Offer to operate and to realize the value of the Escrow Account in terms of the Regulations.
- 6.2.4 In case of upward revision of the Offer Price and/or the Offer Size, the Acquirers shall deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18 (5) of the SEBI (SAST) Regulations, prior to effecting such revision.

- 6.2.5 Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to implement the offer in full accordance with the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

- 7.1.1 This Offer is being made by the Acquirers to, save and except the Sellers, (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on October 17, 2014 (Friday), i.e. the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on October 17, 2014 (Friday), i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer, i.e. November 19, 2014 (Wednesday) but who are not the registered Shareholders.
- 7.1.2 This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.
- 7.1.3 The Offer is subject to the terms and conditions set out in this LoF, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.4 Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.5 The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the collection centres mentioned in paragraph 8.2 below on or before **17.00 hours on November 19, 2014 (Wednesday)**, i.e. Closure of the Tendering Period. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Shareholder, the Manager to the Offer and the Acquirers reserve the right to reject the acceptance of this Offer by such Shareholder. Alternatively, the Letter of Offer along with the Form of Acceptance cum acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.
- 7.1.6 This Offer is subject to receipt of the statutory and other approvals as mentioned under paragraph 'Statutory Approvals' of this Letter of Offer. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 7.1.7 The Public Shareholders who tender their Equity Shares under the Open Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter.
- 7.1.8 The Acquirers will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.9 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders regarding the free transferability of such equity shares tendered under the Offer are not received prior to the date of Closing of the Offer.

- 7.1.10 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.11 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of the Open Offer shall **not** be entitled to withdraw such acceptance.
- 7.1.12 The shares to be allotted on Preferential basis to the Non-Promoters, who are also eligible to surrender shares under the Open Offer, will be under lock-in for a period of one year from the date of trading approval, if such shares are accepted under this Offer, then lock-in on such shares will continue in the hands of the Acquirers as per SEBI (ICDR) Regulations, 2009 and any amendments thereof.

7.2 LOCKED-IN SHARES

As on date, the Target Company does not have any Equity Shares under lock-in period. However, The Equity Shares to be issued pursuant to the Preferential Allotment shall be locked-in, in accordance with the SEBI (ICDR) Regulations. The Manager to the Offer shall ensure that there shall be no discrimination in the acceptance of the Locked-In Equity Shares and the Equity Shares that are not locked-in.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

All the shareholders (registered or unregistered) of the Target Company (except the Acquirers and Selling Shareholders) who own Shares anytime before the Date of Closure of the Offer, i.e. November 19, 2014 (Wednesday) is eligible to participate in the Offer.

7.4 STATUTORY APPROVALS

- 7.4.1 The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring equity shares tendered by non-resident shareholders, if any.
- 7.4.2 As on the date of this DLoF, there are no other statutory approvals and/ or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.
- 7.4.3 The Acquirers, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a PA will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has appeared.
- 7.4.4 In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.
- 7.4.5 No approval is required from any bank or financial institutions for this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

- 8.1 The Acquirers have appointed Purva Sharegistry (India) Private Limited as the Registrar to the Offer.

- 8.2** The following centre of the Registrar would be accepting the documents by Hand Delivery /Regd. Post/Speed Post/Courier as specified:

Name & Address	Contact Person	Mode of Delivery
Purva Sharegistry (India) Pvt. Ltd 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai-400 011 Tel: +91 22 2301 8261/6761 Fax: +91 22 2301 2517 Website: www.purvashare.com E-Mail: busicomp@vsnl.com SEBI Reg. No.: INR000001112	Mr. V B Shah	Hand Delivery / Registered Post / Speed Post / Courier

- 8.3** Shareholders who wish to tender their equity shares pursuant to the Offer will be required to submit the duly completed Form of Acceptance cum acknowledgement, original Share Certificate(s), valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the Letter of Offer, to the Registrar to the Offer either by Registered Post/Speed Post/Courier, at their own risk or by hand delivery so as to reach on or before the closing of the business hours on the Date of Closure of the Offer i.e. November 19, 2014 (Wednesday). The documents can be tendered at the above address as per the schedule and mode mentioned in the table given below:

Mode of Tendering	Day*	Timing
By Hand Delivery	All Working Days (Monday-Friday)	11:00 AM to 1:00 PM & 2:00 PM to 5:00 PM
	Saturdays	11:00 AM to 2:00 PM
By Registered Post / Speed Post / Courier	All Working Days (Monday-Friday)	10:00 AM to 5:00 PM
	Saturdays	10:00 AM to 2:00 PM

* Hand Delivery and Post / Courier will not be accepted on Sundays and Public Holidays

- 8.4** The Target Company is presently having connectivity with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").
- 8.5** The Registrar to the Offer, Purva Sharegistry (India) Private Limited, has opened a Depository Escrow Account with National Securities Depository Limited ("NSDL") for receiving equity shares during the Tendering Period from eligible shareholders who hold equity shares in demat form.
- 8.6** The beneficial owners and shareholders holding shares in the dematerialized form, will be required to send their Form of Acceptance and other documents as may be specified in the Letter of Offer to the Registrar to the Offer either by Registered Post/Courier, at their own risk, or by Hand Delivery on weekdays, so as to reach to the Registrar to the Offer, on or before the Date of Closure of the Offer, i.e., Wednesday, November 19, 2014, along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the depository participant ("DP"), in favour of **"PSIPL ESCROW A/C-ARTECH OPEN OFFER"** ('Escrow Demat Account') filled in as per the instructions given below:

DP Name	:	R R S SHARES & STOCK BROKERS PRIVATE LIMITED
DP ID	:	12029000
Beneficiary ID	:	00037472
Depository	:	Central Depository Services (I) Ltd.

Note: Shareholders having their beneficiary account with National Securities Depository Limited (NSDL) must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account.

- 8.7** Form of Acceptance, Share Certificate(s), Share Transfer Form(s), and other documents, if any should be sent only to the Registrar to the Offer, at the address mentioned above and should not be sent to the Manager to the Offer or the Acquirers or the Target Company.
- 8.8** In case (a) shareholders who have not received the Letter of Offer, (b) unregistered shareholders (c) owner of the shares who have sent the shares to the Target Company for transfer, a consent to the Registrar to the Open Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid share transfer deeds (one per folio), duly signed by such shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with the Target Company), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Offer on or before 5.00 p.m. up to the Date of Closure of the Offer i.e. November 19, 2014 (Wednesday). Such shareholders can also obtain the Letter of Offer from the Registrar to the Offer by giving an application in writing to that effect.
- 8.9** In case of non-receipt of the Letter of Offer and holding the shares in demat form, may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, 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 favour of the special depository account, so as to reach the Registrar to the Offer, on or before the Date of Closure of the Offer i.e. November 19, 2014 (Wednesday)
- 8.10** The Shareholders of the Target Company who have sent their Equity Shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to the Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form.
- 8.11** The Shareholders who have sent the shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the depository account should be received on or before the closing of the business hours on the Date of Closure of Offer i.e. November 19, 2014 (Wednesday), else the Form of Acceptance, in respect of dematerialized Equity Shares not credited to the special depository account, is liable to be rejected.
- 8.12** No indemnity is needed from unregistered shareholders.
- 8.13** Where the number of Equity Shares surrendered by the shareholders are more than the Equity Shares agreed to be acquired by the Acquirers, the Acquirers will accept the offers received from the shareholders 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 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 50 (Fifty) Shares in case of physical mode and 1 (One) share in case of Demat Mode.
- 8.14** In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.
- 8.15** The consideration to those shareholders whose shares have been accepted will be made through a crossed Demand Draft/Pay Order or through Direct Credit ('DC'), National Electronic Funds Transfer ('NEFT'), Real Time Gross Settlement ('RTGS'), National Electronic Clearing Services ('ECS'), at specified centres where clearing houses are managed by the Reserve Bank of India

within 10 working days of the expiry of the tendering period. Shareholders who opt for receiving consideration through DC/NEFT/RTGS/ECS are requested to give the authorization for the same in the Form of Acceptance and enclose a photocopy of cheque along with the Form of Acceptance.

- 8.16** Such payments through account payee cheques/demand drafts will be sent by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner.
- 8.17** For those shareholders, who have opted for physical mode of payment and shareholders whose payment consideration is not credited by electronic mode due to technical error or incomplete/ incorrect bank account details, payment consideration will be made by crossed account payee Cheques/Demand Drafts. Such considerations in excess of Rs. 1,500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder/unregistered owner. The Acquirers are required to deduct tax at source, as may be applicable. All dispatches involving payment of a value up to Rs. 1,500/- will be made under certificate of posting at the shareholders sole risk.
- 8.18** For all other applicants, including those applicants whose payment consideration is not credited by ECS/Direct Credit due to technical errors or incomplete/incorrect bank account details or due to unavoidable reasons, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.
- 8.19** The bank account details for DC/NEFT/RTGS/NECS will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the Form of Acceptance.
- 8.20** Unaccepted share certificate(s) , transfer deed(s) and other documents, if any, will be returned by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner. Equity Shares held in dematerialized form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective DP's when transferred by the Registrar to the Offer.
- 8.21** The Registrar to the Offer will hold in trust the Equity Shares and share certificate(s), Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted Equity Shares / share certificates are dispatched / returned.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the shareholders of Target Company at the office of the Manager to the Offer, Mark Corporate Advisors Private Limited at 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off Western Express Highway, Vile Parle (East), Mumbai- 400 057, on any day (except Saturdays, Sundays and Public Holidays) between 10.30 AM to 2.00 PM from the Date of Opening of the Offer till the Date of Closure of the Offer:

- i.) Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- ii.) Annual Reports of the Target Company for the financial years ended March 31, 2014, March 31, 2013, and March 31, 2012.
- iii.) Chartered Accountants' Certificate(s) dated September 05, 2014, from Mr. James K Shah (Membership No. 36195) of M/s. James Shah & Co., Chartered Accountant having office at 230/231, Majestic Shopping Centre, 2nd floor, 144, J. S. S Road (Girgaon), Mumbai-400 004 Tel. No.: +91 22 2388 8781 / +91 22 6450 5421, Fax No.: +91 22 6631 4074; Email:

jamesshah_007@hotmail.com), certifying the Net worth of Mr. Bhadresh Vasantrai Mehta ('Acquirer 1') as on August 31, 2014.

- iv.) Chartered Accountants' Certificate(s) dated September 05, 2014, from Mr. James K Shah (Membership No. 36195) of M/s. James Shah & Co., Chartered Accountant having office at 230/231, Majestic Shopping Centre, 2nd floor, 144, J. S. S Road (Girgaon), Mumbai-400 004 Tel. No.: +91 22 2388 8781 / +91 22 6450 5421, Fax No.: +91 22 6631 4074; Email: jamesshah_007@hotmail.com), certifying the Net worth of Mr. Parth Bhadresh Mehta ('Acquirer 2') as on August 31, 2014.
- v.) Chartered Accountants' Certificate dated September 05, 2014, from Mr. James K Shah (Membership No. 36195) of M/s. James Shah & Co., Chartered Accountant having office at 230/231, Majestic Shopping Centre, 2nd floor, 144, J. S. S Road (Girgaon), Mumbai-400 004 Tel. No.: +91 22 2388 8781 / +91 22 6450 5421, Fax No.: +91 22 6631 4074; Email: jamesshah_007@hotmail.com), certifying that the Acquirers have firm and adequate financial resources to meet the financial obligations under the Open Offer.
- vi.) Valuation Report dated September 05, 2014 issued by M/s. Singhal & Sewak, Chartered Accountants (Firm Registration No. 011501C) having branch office at 8/9, B Wing, Divya Smruti, Opp. Toyota Showroom, Malad (West), Mumbai-400 064.
- vii.) Memorandum of Understanding between Lead Managers i.e. Mark Corporate Advisors Private Limited and the Acquirers.
- viii.) Notice of Extra Ordinary General Meeting to be held on September 30, 2014 and Board Meeting dated September 05, 2014.
- ix.) Letter from HDFC Bank Limited dated September 10, 2014 confirming the balance of ₹1,00,00,000 (Rupees One Crore only) as on September 08, 2014 in the Cash Escrow Account.
- x.) Copy of the confirmation from Purva Sharegistry (India) Pvt. Ltd regarding the opening of Special Depository Account for the purpose of the Offer.
- xi.) Copies of the Public Announcement dated September 05, 2014 (Friday) & published copy of Detailed Public Statement which appeared in the newspapers on September 12, 2014 (Friday).
- xii.) Copy of the recommendation made by the Target Company's Board of Independent Directors dated [·] as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.
- xiii.) Copy of the Observation Letter no [·] dated [·] received from SEBI.
- xiv.) Due Diligence Certificate dated September 19, 2014 submitted to SEBI by Mark Corporate Advisors Private Limited, Manager to the Offer.
- xv.) Undertaking from the Acquirers, stating full responsibility for all information contained in the PA, Detailed Public Statement and the Letter of Offer.
- xvi.) Undertaking from the Acquirers for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all Shareholders of the Target Company whose applications are accepted in the Open Offer.
- xvii.) Undertaking from the Acquirers with regard to Responsibility under Regulation 2(o) and Regulation 7(4) of SEBI (SAST) Regulations.

10. DECLARATION BY THE ACQUIRERS

The Acquirers, accept full responsibility, jointly and severally, for the information contained in this Letter of Offer, including the Form of Acceptance cum Acknowledgement and also for ensuring the compliance with the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations.

We, the Acquirers, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this Letter of Offer is in compliance with the SEBI (SAST) Regulations, and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Manager to the Offer hereby states that the person(s) signing this Letter of Offer is the Acquirers.

Acquirer 1

Acquirer 2

Sd/-

Sd/-

Bhadresh Vasantra

Parth Bhadresh Mehta

Place : Mumbai

Date : September 19, 2014

Enclosures:

- (1) Form of Acceptance cum Acknowledgement
- (2) Blank Share Transfer Deed(s) (in case of shares held in physical mode)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

*(Please send this Form with enclosures to Registrar to the Offer, **Purva Shareregistry (India) Pvt. Ltd.**, at their address given in the Letter of Offer as per the mode of delivery mentioned in the Letter of Offer)*

From:
Folio No. /DP ID No. /Client ID No.:
Name:
Address:

OFFER OPENS ON	:	November 05, 2014 (Wednesday)
OFFER CLOSES ON	:	November 19, 2014 (Wednesday)

Tel No:

E-mail:

Fax No:

To
Purva Shareregistry (India) Pvt. Ltd
 9, Shiv Shakti Industrial Estate,
 J. R. Boricha Marg,
 Opp. Kasturba Hospital,
 Lower Parel (E),
 Mumbai-400 011

Dear Sir,

Sub: Open Offer to acquire 37,89,342 Equity Shares of ₹10 each, representing 25.54% of Emerging Voting Capital of Artech Power Products Limited ('APPL' or the 'Target Company') at a price of ₹10.50 per equity share by Mr. Bhadresh Vasantraai Mehta ('Acquirer 1') and Mr. Parth Bhadresh Mehta ('Acquirer 2') (hereinafter collectively referred to as "Acquirers").

I/We refer to the Letter of Offer dated [·] for acquiring the Equity Shares held by me/us in **Artech Power Products Limited**. I/We the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

FOR EQUITY SHARES HELD IN PHYSICAL FORM

I/We hold the following Equity Shares and accept the Offer and enclose the original Share Certificate(s) and duly signed Transfer Deed(s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
1.					
2.					
3.					
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)

I / We note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirers makes payment of consideration as mentioned in the Letter of Offer or the date by which Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

FOR EQUITY SHARES HELD IN DEMAT FORM

I / We, holding the equity shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my/ our shares as detailed below:

DP Name	DP ID	Client ID	No. of Shares	Name of Beneficiary

I / We have executed an "Off-Market" transaction for crediting the shares via

- ☐ A delivery instruction from my account with CDSL
☐ An inter-depository delivery instruction from my account with NSDL

To the Special Depository Account named 'PSIPL ESCROW A/C-ARTECH OPEN OFFER' with the following particulars:

DP Name	:	R R S Shares & Stock Brokers Private Limited
DP ID Number	:	12029000
Client ID Number	:	00037472
ISIN	:	INE421N01013
Market	:	Off Market
Depository	:	Central Depository Services (I) Ltd.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirers dispatch the purchase consideration as mentioned in the Letter of Offer. I / We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I / We confirm that the Equity Shares of the Target Company, which are being tendered herewith by me / us under this Open Offer, are free from liens, charges and encumbrances of any kind whatsoever and such Shares, when acquired by the Acquirers will be acquired free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter.

I/We confirm that there are no taxes or other claims pending against me/us which may affect the legality of the transfer of Equity Shares of the Target Company, under the Income Tax Act, 1961. I/We are not debarred from dealing in Equity Shares of the Target Company.

I/We authorize the Acquirers to accept the Equity Shares so offered or such lesser number of Equity Shares that the Acquirers may decide to accept in consultation with the Manager to the Offer / Registrar to the Offer and in terms of the said Letter of Offer. I further authorize the Acquirers to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, without specifying the reason thereof.

I / We authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post / Speed Post as may be applicable at my / our risk, the draft / cheque, in full and final settlement of the amount due to me / us and / or other documents or papers or correspondence to the sole / first holder at the address mentioned below. In case I / we have tendered my Shares in dematerialised form, I / we authorize the Acquirers and the Registrar to the Open Offer and the Manager to the Open Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

The Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 is as under.

	1 st Holder	2 nd Holder	3 rd Holder
PAN			

I/We authorise the Acquirers to send payment consideration by electronic mode or physical mode as per the option selected. In cases where the payment consideration is to be done in physical mode, the cheque / demand draft / pay order, in settlement of the amount and excess share certificate(s), if any, will be sent by registered post / speed post to the sole/first holder at the address given

hereunder and if full address is not given below, the same will be forwarded at the address registered with the Target Company.

Please indicate the preferred mode of receiving the payment consideration. (Please tick)

Electronic Mode: ☐ or ☐ **Physical Mode:**

So as to avoid fraudulent encashment in transit, the shareholder(s) are requested to kindly provide the following bank details of the first/ sole shareholder and the consideration will be payable by way of Electronic Mode/ cheque / demand draft / pay order will be drawn accordingly. In order to receive payment consideration through Electronic mode, the shareholders are requested to compulsorily provide their following bank details:

In order to receive payment consideration through Electronic mode, the shareholders are requested to compulsorily provide their following bank details:

Name of the Bank	:	
Branch /Address	:	
Account No.	:	
Account Type (Savings/ Current/ Others (please specify)	:	
IFSC	:	
MICR Code (9 Digits)	:	

For Equity Shares that are tendered in demat form, the bank account details as contained from the beneficiary position provided by the depository will be considered for the purpose of payment of Open Offer consideration through electronic means and the draft / warrant / cheque, if required, may be issued with the bank particulars mentioned herein above.

Yours faithfully,

Signed & Delivered:

	Full Name	Signature
First / Sole Holder		
Second Holder		
Third Holder		

Note: In case of joint holdings, all must sign. Corporations must affix its common seal and attach herewith the necessary Board Resolution.

Place:

Date:

----- Tear along this line-----

ACKNOWLEDGEMENT SLIP

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

(Unit-Artech Power Products Limited -Open Offer)

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E),
Mumbai-400 011,

Tel: +91 22 2301 8261/6761, **Fax:** +91 22 2301 2517, **E-Mail:** busicomp@vsnl.com

Received from Mr. / Ms. / Smt: _____

Address: _____

Form of Acceptance-cum-Acknowledgement for _____ Shares along with:

☐ **Physical Shares:** _____ Share Certificate(s) along with _____ number of Transfer Deed(s) under Folio Number (s) _____

☐ **Demat Shares:** Copy of delivery instruction from DP ID _____ Client ID _____

(Tick whichever is applicable)

Stamp of Registrar to the Offer:		Signature of the Official:		Date of Receipt:	
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All future correspondence, if any, should be addressed to the Registrar to the Open Offer at their address quoting your Folio No. / DP ID and Client ID.