

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer ("Draft Letter of Offer") is sent to you as a Public Shareholder of McNally Bharat Engineering Company Limited ("**Target Company**"). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer (as defined herein below) or the Registrar to the Offer (as defined herein below). In case you have recently sold your shares in the Target Company, please hand over this Draft Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, and the transfer deed to the member of the stock exchange through whom the said sale was effected.

Open Offer (the "**Offer**" or "**Open Offer**") by

EMC Limited ("Acquirer")

Registered Office: "Constantia Office Complex" 11, Dr. U. N. Brahmachari Street, South Block, 8th Floor, Kolkata - 700 017, West Bengal, India
Telephone: +91 33 2289 3122/4 and Facsimile: +91 33 2289 3121

ALONGWITH

MKN Investment Private Limited having its registered office at "Constantia Office Complex", (B Wing), 8th Floor, 11, Dr. U. N. Brahmachari Street, Kolkata, West Bengal, India – 700 017; Telephone: +91 33 2389 3123 and Facsimile: +91 33 2389 3121 ("**PAC 1**") in its capacity as a person acting in concert for acquisition of Equity Shares and McLeod Russel India Limited having its registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001; Telephone: +91 33 2210 1221, +91 33 2248 9434/35; and Facsimile: +91 33 2248 3683 / 8114/ 6265; ("**PAC 2**"), Williamson Magor & Co. Limited having its registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001; Telephone: +91 33 2210 1221, +91 33 2243 5391, +91 33 2248 9434/ 9435; and Facsimile: +91 33 2248 3683/ 8114/ 6265; ("**PAC 3**"), Babcock Borsig Limited having its registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001; Telephone: +91 33 2210 1221, +91 33 2243 5391/ 5393, +91 33 2248 9434/ 9435; and Facsimile: +91 33 2248 8114 / 3683; ("**PAC 4**"), Williamson Financial Services Limited having its registered office at Udayan House, No. 147, 2nd Floor, Ganeshguri, R.G. Baruah Road, Guwahati – 781 005; Telephone: +91 33 2243 5391/ 93, +91 33 2210 1221; and Facsimile: +91 33 2248 3683; ("**PAC 5**"), Kilburn Engineering Limited having its registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001; Telephone: +91 33 2231 3337; and Facsimile: +91 33 2231 4768; ("**PAC 6**"), Bishnauth Investments Limited having its registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001; Telephone: +91 33 2210 1221, +91 33 2243 5391/ 5393, +91 33 2248 9434/ 9435; and Facsimile: +91 33 2248 8114/ 3683; ("**PAC 7**") and Mr. Amritanshu Khaitan residing at 10, Queen's park, Kolkata – 700 009; ("**PAC 8**"), in their capacity as a person acting in concert with the Acquirer for acquisition of control (PAC 1 to PAC 8 are hereinafter collectively referred to as "**PACs**").

to acquire up to 1,31,54,393 (One crore thirty one lacs fifty four thousand three hundred and ninety three) equity shares of face value of ₹ 10 each ("**Offer Shares**") representing 26% (Twenty six percent) of the Emerging Voting Share Capital (as defined herein below) ("**Offer Size**")

of

McNally Bharat Engineering Company Limited ("Target Company")

Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata -700 001, West Bengal, India
Telephone: +91 33 2213 8901/ 6628 1111 and Facsimile: +91 33 2230 3519/ 6628 2277

at a price of ₹ 100 (Rupees One hundred) per Offer Share (the "**Offer Price**") payable in cash pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI (SAST) Regulations**"). The Acquirer and PAC 3 will purchase the Offer Shares in the Open Offer.

Note:

- This Offer is being made by the Acquirer and the PACs pursuant to Regulation 3(1) and 4 read with applicable regulations of the SEBI (SAST) Regulations.
- This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- This Offer is subject to certain statutory, regulatory and other approvals and conditions described in paragraph 7.18.
- The acquisition of Offer Shares tendered in the Offer by non-resident Indians ("**NRIs**") and overseas corporate bodies ("**OCBs**") is subject to receipt of approval from the Reserve Bank of India (the "**RBI**"). NRIs and OCBs tendering Equity Shares in the Offer must obtain all requisite approvals required to tender the Offer Shares held by them, in this Offer (including without limitation an approval from RBI, if any, and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (as defined under the head of Definitions and Abbreviations) and other documents required to accept this Offer. Further, if holders of Offer Shares who are not persons resident in India including NRIs, OCBs and the FII's (each as defined under the head of Definitions and Abbreviations) had required any approvals (including from the FIPB or any other regulatory body) in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, along with the other documents required to be tendered to accept this Offer. If the approvals mentioned above, as may be applicable, are not submitted, the Acquirer and PAC 3 reserve the right to reject such Offer Shares tendered in this Offer.
- In case of upward revision, if any, in the Offer Price and/or Offer Size by the Acquirer and the PAC 3 upto 3 (Three) Working Days prior to the commencement of the Tendering Period, i.e. up to Thursday August 13, 2015, or in the case of withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Detailed Public Statement in relation to this Offer had appeared. Such revised Offer Price would be payable for all the Offer Shares validly tendered anytime during the Tendering Period.
- If there are competing offers, the public offers under all the subsisting bids shall open and close on the same date. As per the information available with the Acquirer and the PACs/ Target Company, no competitive bid has been announced as of the date of this Draft Letter of Offer.**
- A copy of Public Announcement, Detailed Public Statement, Draft Letter of Offer and Letter of Offer (including Form of Acceptance-cum Acknowledgement) is also available on Securities and Exchange Board of India ("**SEBI**") website: www.sebi.gov.in

MANAGER TO THE OFFER



MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED
Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel S T Depot
Prabhadevi, Mumbai - 400 025 Maharashtra, India
Telephone: +91 22 3980 4380
Facsimile: +91 22 3980 4315
E-mail: paresh.raja@motilaloswal.com
Contact Person: Paresh Raja
SEBI Registration No: INM000011005

OFFER OPENS ON: [●]

REGISTRAR TO THE OFFER



KARVY COMPUTERSHARE PRIVATE LIMITED
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222; Facsimile: +91 40 2343 1551
E-mail: inward.ris@karvy.com
Investor Grievance Email: emc-mkn.openoffer@karvy.com;
Website: www.karisma.karvy.com; Contact Person: M. Muralikrishna
SEBI Registration No.: INR000000221

OFFER CLOSES ON: [●]

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Day and Date
Date of Public Announcement	June 30, 2015 (Tuesday)
Date of Detailed Public Statement	July 6, 2015 (Monday)
Date of publication of Detailed Public Statement in the newspapers	July 7, 2015 (Tuesday)
Date of filing of this Draft Letter of Offer with SEBI	July 13, 2015 (Monday)
Last date for a Competing Offer	July 27, 2015 (Monday)
Last date for receipt of comments from SEBI on the draft Letter of Offer in the event SEBI has not sought clarification or additional information from the Manager to the Offer	August 3, 2015 (Monday)
Identified Date*	August 5, 2015 (Wednesday)
Last date by which Draft Letter of Offer will be dispatched to the Public Shareholders of the Target Company	August 12, 2015 (Wednesday)
Last date for upward revision to Offer Price/Offer Size	August 13, 2015 (Thursday)
Last date by which the board of directors of the Target Company shall give its recommendation	August 14, 2015 (Friday)
Issue opening Public Announcement date	August 19, 2015 (Wednesday)
Date of commencement of Tendering Period (Offer opening date)	August 20, 2015 (Thursday)
Date of expiry of Tendering Period (Offer closing date)	September 2, 2015 (Wednesday)
Date by which all requirements including payment of consideration would be completed	September 16, 2015 (Sunday)

**Identified Date is only for the purpose of determining the shareholders of the Target Company as on such date to whom the Draft Letter of Offer would be sent. It is clarified that all the Public Shareholders of the Target Company (registered or unregistered) of the Equity Shares of the Target Company who own the Equity Shares of the Target Company are eligible to participate in this Offer at any time before the Closure of the Tendering Period.*

NOTE: Duly signed Form of Acceptance-cum-Acknowledgment/transfer deed(s) together with share certificate(s) (in case of physical shares) or copies of delivery instruction slips (in case of dematerialized shares) should be dispatched by registered post/courier or hand delivered to the Registrar to the Offer or its collection centres so as to reach on or before Closure of the Tendering Period (i.e. before September 2, 2015).

RISK FACTORS

The risk factors set forth below are limited to the Offer and are not intended to be a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer and the PACs or the Target Company, but are only indicative and are not exhaustive. The risk factors set forth below do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in the Offer. The Public Shareholders are advised to consult their stock brokers, tax or investment consultants, if any, for analysing all the risks with respect to their participation in the Offer.

I. Risk Factors relating to the Transaction

- The completion of the Transaction and the Offer is subject to (i) the compliance of the terms and conditions as set out under the Investment Agreement and (ii) receipt of approvals as more particularly set out in paragraph 7.18 of this Draft Letter of Offer. In accordance with the Investment Agreement, the Transaction shall be completed only upon the fulfilment of conditions precedent, agreed between the Acquirer, each of the PACs (excluding PAC 1) and the Target Company, mentioned in the Investment Agreement unless waived in writing by the Acquirer and the PACs (other than PAC 1). In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, if the statutory approvals and other conditions precedent as stated in paragraph 7.18 of this Draft Letter of Offer are not received or satisfactorily complied with, the Acquirer would have the right to withdraw the Offer.
- The Transaction is subject to completion risks as would be applicable to similar transactions

II. Risks relating to the Offer

- To the best of the knowledge of the Acquirer and the PACs, no statutory approvals apart from those mentioned in paragraph 7.18 of this Draft Letter of Offer, are required by the Acquirer and the PACs to complete this Offer. However, in case any other statutory approvals are required by the Acquirer and the PACs at a later date, this Offer shall be subject to such approvals. While the Acquirer and the PACs shall make the necessary applications for such approval, in case of delay in receipt of any such statutory approvals, 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 or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PACs agreeing to pay interest to the Public Shareholders for delay beyond 10 (Ten) Working Days from the date of Closure of the Tendering Period, at such rate as may be specified by SEBI. Accordingly, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders who's Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Public Shareholders, the Acquirer and the PACs will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirer will also have the right, under Regulation 23(1) of the SEBI (SAST) Regulations to withdraw this Offer in the event any statutory approval or other conditions precedent as mentioned in paragraph 7.18 below, as may be required, are not granted or satisfied.
- 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, an approval from the RBI, if any) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if holders of Offer Shares who are not persons resident in India including NRIs, OCBs and the FII's (each as defined under the head of Definitions and Abbreviations) had required any approvals (including from the FIPB or any other regulatory body) in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, along with the other documents required to be tendered to accept this Offer. If the approvals mentioned above, as may be applicable, are not submitted, the Acquirers and PAC 3 reserve the right to reject such Offer Shares tendered in this Offer.
- In the event that either: (a) there is any litigation that leads to an injunction on this Offer or restricts the Acquirer or the PACs from performing its obligations hereunder; (b) SEBI instructs the Acquirer and the PACs not to proceed with this Offer, or (c) there is delay in receiving statutory approvals, this Offer process may not proceed or may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer by the Acquirer and the PAC 3, may be delayed.
- Public Shareholders should note that those who tender the Equity Shares in acceptance of the Offer during the Tendering Period shall not be entitled to withdraw such acceptances even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.

- The tendered Offer Shares and documents would be held by the Registrar to the Offer in trust for the Acquirer and PAC 3, till the process of acceptance of tenders and the payment of consideration is completed. The Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirer and the PACs make no assurance with respect to the market price of the Equity Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in the Offer.
- The Offer is an offer to acquire up to 1,31,54,393 (One crore thirty one lacs fifty four thousand three hundred and ninety three) Equity Shares of face value of ₹ 10 (ten) each of the Target Company, representing 26% (twenty six percent) of the Emerging Voting Share Capital of the Target Company from the Public Shareholders. In the case of oversubscription of the Offer, acceptance will be determined on a proportionate basis (as detailed in paragraph 8.9.10 of this Draft Letter of Offer), and hence, it is not certain that all the Equity Shares tendered by the Public Shareholders in the Offer will be accepted. The Acquirer, the PACs and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Draft Letter of Offer/ the Detailed Public Statement/ the Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirer and the PACs, or the Manager to the Offer) would be doing so at his/her/their own risk.
- This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this 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 and the PACs 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.
- The Public 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 PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

III. Risks relating to Acquirer, PACs and the Target Company

- The Acquirer and the PACs make no assurances with respect to their investment/divestment decisions in relation to their proposed shareholding in the Target Company.
- The Acquirer and the PACs make no assurances with respect to the continuation of the past trend in the financial performance of the Target Company.
- The Acquirer and the PACs cannot provide any assurance with respect to the market price of the Offer Shares of the Target Company before, during or after the 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 any Public Shareholder regarding whether or not to participate in the Offer.
- For the purpose of disclosures in the Draft Letter of Offer relating to the Target Company, the Acquirer and the PACs have relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company.
- As per Clause 40A of the equity listing agreement entered into by the Target Company with BSE (“**Equity Listing Agreement**”) read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (Twenty five per cent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Any failure to comply with the conditions of the SCRR and the Equity Listing Agreement could have an adverse effect on the price and tradability of the Equity Shares.

IV. CURRENCY OF PRESENTATION

- In this Draft Letter of Offer, all references to “₹”/“Rs”/“INR”/“Rupees”/“Re”/“Rupee” are references to the official currency of India.
- In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

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1. DEFINITIONS AND ABBREVIATIONS

Term	Definition
Acquirer	EMC Limited
Board of Directors	The board of directors of the Target Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Closure of the Tendering Period	Wednesday, September 2, 2015
Companies Act	Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 and the rules made there under (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made there under, to the extent in force pursuant to notification of the Notified Sections
CSE	Calcutta Stock Exchange Limited
Depositories	CDSL and NSDL
Detailed Public Statement/ DPS	Detailed Public Statement dated July 6, 2015, issued by the Manager to the Offer, on behalf of the Acquirer and the PACs, in relation to the Offer and published in all editions of Business Standard (English & Hindi), Kolkata edition of Kalantar Patrika (Bengali) and Mumbai edition of Mumbai Lakshadeep (Marathi) on July 7, 2015 in accordance with the Regulation 3(1) and 4 read with Regulations 13(4), 14 and 15(2) and other applicable regulations of the SEBI (SAST) Regulations
DIN	Director Identification Number
DP	Depository Participant
Draft Letter of Offer / Letter of Offer	This draft letter of offer dated July 13, 2015, including the Form of Acceptance-cum Acknowledgement filed with SEBI in accordance with Regulation 16(1) of SEBI (SAST) Regulations on July 13, 2015
Emerging Voting Share Capital	The fully paid up capital of ₹ 50,59,38,180 comprising 5,05,93,818 Equity Shares of ₹10 each of the Target Company being the capital post allotment of 1,00,00,000 Equity Shares to the Acquirer on preferential allotment basis
Equity Listing Agreement	Listing agreement entered into by the Target Company with the Stock Exchanges
Equity Shares	The fully paid up equity share(s) of face value of ₹ 10 each of the Target Company
Escrow Agreement	Escrow Agreement dated July 1, 2015 entered between the Acquirer, PAC 3, Escrow Agent and Manager to the Offer
Escrow Bank / Escrow Agent	Axis Bank Limited
Existing Promoters	The promoter and promoter group of the Target Company, excluding the Acquirer and the PAC 1 and includes individuals/bodies corporate forming part of the promoter and promoter group as per clause 35 of the Equity Listing Agreement entered by the Target Company with the Stock Exchanges. These comprise of Amritanshu Khaitan, Isha Khaitan, Brij Mohan Khaitan, Mcleod Russel India Limited, Williamson Magor & Co Limited, Babcock Borsig Limited, Kilburn Engineering Limited, Williamson Financial Services Co Ltd and Bishnauth Investments Limited.
FIPB	Foreign Investment Promotion Board
Form of Acceptance-cum- Acknowledgment	Form of Acceptance-cum-Acknowledgement attached to this Draft Letter of Offer
Identified Date	Wednesday, August 5, 2015, the date falling on the 10 th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Public Shareholders to whom the Draft Letter of Offer shall be sent
Income Tax Act	Income Tax Act, 1961, as amended
Investment Agreement	The investment agreement dated June 30, 2015 entered into between the Target Company, the Acquirer and each of the PACs (excluding PAC 1)
Manager to the Offer	Motilal Oswal Investment Advisors Private Limited
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
NRI	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended

Term	Definition
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/Open Offer	The Offer being made by the Acquirer and PAC 3 for acquisition of upto 1,31,54,393 (one crore thirty one lacs fifty four thousand three hundred and ninety three) Equity Shares representing 26% of the Emerging Voting Share Capital, from the Public Shareholders at the Offer Price payable in cash
Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 131,54,39,300 (Rupees One Hundred Thirty One Crore Fifty Four Lacs Thirty Nine Thousand Three Hundred only)
Offer Period	Period commencing from June 30, 2015 till the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be
Offer Price	₹ 100 (Rupees One hundred) per Offer Share
Offer Shares	1,31,54,393 Equity Shares of the Target Company
Offer Size	Upto 1,31,54,393 representing 26 % of the Emerging Voting Share Capital
PAN	Permanent Account Number
PACs	PAC 1, in its capacity as person acting in concert with the Acquirer for acquisition of Equity Shares and PAC 2, PAC 3, PAC 4, PAC 5, PAC 6, PAC 7 and PAC 8, in their capacity as persons acting in concert with the Acquirer for the acquisition of control
Public Announcement	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirer and PACs on June 30, 2015 in accordance with SEBI (SAST) Regulations
Public Shareholders	The public shareholders of the Target Company and does not include the parties to the Investment Agreement (as defined hereinafter), PAC 1 and the persons acting in concert with such parties
RBI	Reserve Bank of India
Registrar/ Registrar to the Offer	Karvy Computershare Private Limited
₹/Rs./ Re./Rupees	Indian Rupees
RTGS	Real Time Gross Settlement
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendment thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, and subsequent amendment thereto
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
Stock Exchanges	BSE and NSE
Subscription / Subscribed Shares	1,00,00,000 (one crore) fully paid-up Equity Shares of face value of ₹ 10 each of the Target Company subscribed by the Acquirer pursuant to the Investment Agreement
Target Company	McNally Bharat Engineering Company Limited
Tendering Period	The period within which Public Shareholders may tender their Equity Shares in acceptance of the Offer
Transaction	Subscription of 1,00,00,000 Equity Shares by the Acquirer in accordance with the Investment Agreement
Working Day	All working days of SEBI at Mumbai

Note: All capitalized terms used in this Draft Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS 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. THIS 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 MCNALLY BHARAT ENGINEERING LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PACs OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 13, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACS 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 mandatory offer (the **"Offer" or "Open Offer"**) is being made by the Acquirer and PACs, pursuant to the execution of the Investment Agreement and accompanied with joint control over the Target Company, in compliance with Regulations 3(1) and 4 and other applicable provisions of the SEBI (SAST) Regulations to acquire upto 26% of the Emerging Voting Share Capital of the Target Company from the Public Shareholders of the Target Company.
- 3.1.2. The Acquirer has entered into the Investment Agreement with the Target Company, PAC 2, PAC 3, PAC 4, PAC 5, PAC 6, PAC 7 and PAC 8 for the acquisition of 1,00,00,000 (One crore) Equity Shares representing 19.77% of the Emerging Voting Share Capital of the Target Company at a price of ₹ 100 per Equity Share aggregating to ₹ 100,00,00,000 (Rupees one hundred crore) payable in cash, on a preferential allotment basis. PAC 1, a part of EMC Group currently holds 50,00,000 (Fifty lac) Equity Shares representing 12.32% of the existing equity share capital of the Target Company and 9.88% of the Emerging Voting Share Capital of the Target Company. Pursuant to the Investment Agreement, the Acquirer along with PAC 1 will jointly hold more than 25% of the Emerging Voting Share Capital of the Target Company and will also have joint control over the Target Company.
- 3.1.3. A summary of some of the salient features of the Investment Agreement is as follows:
- 3.1.3.1 Pursuant to the Investment Agreement and fulfilment of the conditions precedent mentioned in paragraph 7.18 below, the Acquirer will subscribe and the Target Company will issue and allot on preferential basis 1,00,00,000 Equity Shares aggregating to 19.77% of the Emerging Voting Share Capital, together with all rights attaching thereto, credited as fully paid, free and clear of any and all encumbrances, for an amount of ₹ 100,00,00,000 ("Investment Amount").
- 3.1.3.2 Upon receipt of the Investment Amount, the board of directors or duly authorised committee thereof of the Target Company shall take necessary corporate action, subject to applicable laws, for (a) issuance and allotment of the Subscribed Shares to the Acquirer including passing the necessary resolutions and recording the necessary entries in its corporate and statutory registers; (b) issuing letter of allotment for the Subscribed Shares; (c) intimation to the relevant stock exchange as to the allotment of Subscribed Shares; (d) reconstitution of the various committees of the directors of the Target Company; (e) appointment of directors nominated by the Acquirer on the board of directors of the Target Company; and (vi) approval and authorization of change of signatories of the bank accounts of the Target Company.
- 3.1.3.3 Post the subscription of the Subscribed Shares and the appointment of nominees of the Acquirer on the board of directors of the Target Company in compliance with the SEBI (SAST) Regulations, the Acquirer and the PACs will be joint promoters of the Target Company and the Acquirer and the PACs shall be deemed to be in joint control and management of the Target Company. Further, the day-to-day management and control with respect to the business of the Target Company shall be with the Acquirer.

- 3.1.3.4 The obligation of the Acquirer to subscribe and the Target Company to issue and allot the Subscribed Shares will be conditional upon fulfilment of certain conditions precedent agreed under the Investment Agreement including the receipt of statutory and other approvals as set out in the Investment Agreement and as described in 7.18 below.
- 3.1.3.5 From the date of execution of the Investment Agreement till the completion or withdrawal of the Offer, the Target Company shall not carry on any business other than in the ordinary and normal course of business that is consistent with past practice and regular customer services and business policies. In particular, the Target Company shall not do any of the following without the prior written consent of the Acquirer: (a) change in the business; (b) change in the shareholding of the PACs (other than PAC 1) in the Target Company; (c) change in the nominal value of, or the rights attached to, any of the Equity Shares, (d) mergers/ restructuring, spin off/ hive off of divisions; (e) issuance of shares including employee stock option plans; (f) entering into any transactions with the related party as defined under section 2(76) of the Companies Act, 2013 and accounting standard 18 of the generally accepted accounting principles in India; (g) changes in memorandum of association and articles of association of the Target Company, other than as agreed with the Acquirer; (h) setting up of subsidiaries; (i) changes in accounting policies or (j) taking any decision or action on any material issues as described in the Investment Agreement.
- 3.1.4. The proposed change in control of the Target Company is not through any scheme of arrangement.
- 3.1.5. After the completion of this Offer and pursuant to the acquisition of the Equity Shares of the Target Company under the Investment Agreement, the Acquirer and the PAC 1 shall be the co-promoter of the Target Company and will exercise joint control over the management and affairs of the Target Company with the Existing Promoters. The salient features of the Investment Agreement have been set out in paragraph 3.1.2 above.
- 3.1.6. The Acquirer and the PACs 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 regulation made under the SEBI Act.
- 3.1.7. In accordance with the Investment Agreement, the Acquirer is entitled to appoint two nominee directors on the Board of Directors of the Target Company. The Managing Director and the Chairman shall be appointed by the Acquirer. The Acquirer undertakes to comply with all the applicable provisions of SEBI(SAST) Regulations including Regulation 22 and Regulation 24 in this relation.
- 3.1.8. 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 its reasoned recommendation on this Offer to the Public Shareholders. Such recommendation shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period in the same newspapers where the Detailed Public Statement was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

3.2. Details of the Offer:

- 3.2.1. The Public Announcement announcing the Offer, in terms of Regulations 3(1), and 4 read with Regulations 13(4), 14, 15(2) and other applicable regulations of the SEBI (SAST) Regulations, was released to the BSE and NSE on June 30, 2015. The PA was filed with SEBI on July 1, 2015 and sent to the registered office of the Target Company on June 30, 2015.
- 3.2.2. The Acquirer and the PACs have published the Detailed Public Statement on July 7, 2015 in the following newspapers:

Sr. No.	Newspaper	Language	Editions
1	Business Standard	English	All
2	Business Standard	Hindi	All
3	Kalantar Patrika	Bengali	Kolkata
4	Mumbai Lakshadeep	Marathi	Mumbai

A copy of the DPS was also sent to SEBI, the Stock Exchanges, and the Target Company at its registered office. A copy of the DPS is also available on the SEBI's website: www.sebi.gov.in.

- 3.2.3. In terms of this Offer, the Acquirer along with the PACs proposes to acquire 1,31,54,393 (One crore thirty one lacs fifty four thousand three hundred ninety three) Equity Shares constituting 26% of the Emerging Voting Equity Share Capital of the Target Company from the Public Shareholders of the Target Company, at a price of ₹ 100 (One hundred) per fully paid per Equity Share of the Target Company, payable in cash, in accordance with the provisions of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the Detailed Public Statement and this Draft Letter of Offer.

- 3.2.4. There shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares in the Offer. The Offer 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.
- 3.2.5. There are no partly paid-up Equity Shares in the Target Company. Further, there is no differential pricing for the Offer. However, the Target Company has issued 30,00,000 (Thirty lacs) warrants in March 2015 to Williamson Magor and Company Limited ("WMCL") which is convertible into one Equity Share per warrant at a conversion price of ₹ 100 per warrant. WMCL vide letter dated June 30, 2015 has undertaken not to convert its outstanding warrants into Equity Shares of the Target Company, until the expiry of 15 Working Days from the Closure of the Tendering Period.
- 3.2.6. The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There have been no competing offers as of the date of this Draft Letter of Offer.
- 3.2.7. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 3.2.8. The completion of the Transaction and this Offer are subject to the fulfilment of the conditions precedent agreed between the Acquirer, the PACs (excluding PAC 1) and the Target Company set forth in the Investment Agreement (and summarised in paragraph 7.18 of this Draft Letter of Offer), unless waived in writing by the Acquirer and the PACs (other than PAC 1). In the event any of these conditions precedent is not satisfied, the Acquirer will be entitled to withdraw this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations.
- 3.2.9. The Acquirer and PACs have not acquired any Equity Shares of Target Company after the date of Public Announcement, i.e. June 30, 2015, and up to the date of this Draft Letter of Offer.
- 3.2.10. In the event that the Equity Shares tendered in the Offer by the Public Shareholders are more than the Offer Size, the acquisition of Offer Shares from the Public Shareholders will be on a proportionate basis, as detailed in paragraph 8.9.10 of this Draft Letter of Offer.

3.3. Object of the Acquisition/ Offer

- 3.3.1. The Acquirer provides turnkey solutions in the field of transmission line projects, EHV sub-station and power distribution projects and balance of plant projects covering design, manufacture, erection and associated civil works. The Acquirer intends to diversify into additional areas of project execution and hence this acquisition and Offer.
- 3.3.2. The Acquirer proposes to continue and expand the existing business of the Target Company. However, as of the date of this Draft Letter of Offer, the Acquirer cannot ascertain the repercussions, if any, on the employees and locations of the Target Company's places of business.
- 3.3.3. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and the PACs does not have any plans to dispose off or otherwise encumber any material assets of the Target Company in the next 2 (Two) years, except as may be approved by the Board of Directors and (i) in the ordinary course of business; (ii) to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities, business or otherwise of the Target Company and in compliance with all the applicable laws; or (iii) for alienation of material assets of the Target Company that are determined by the Board of Directors as being surplus and/or non-core, or on account of any approval of or conditions specified by any regulatory or statutory authorities, Indian or foreign, or for the purpose of compliance with any law that is binding on or applicable to the operations of the Target Company. It will be the responsibility of the Board of Directors to make appropriate decisions in these matters in accordance with the requirements of the business of the Target Company. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws and legislation at the relevant time. Further, during such period of 2 (Two) years, save as set out above, the Acquirer and the PACs undertakes not to sell, dispose off or otherwise encumber any material assets of the Target Company except in the ordinary course of business as security to banks/financial institutions or with the prior approval of the shareholders of the Target Company through a special resolution by way of a postal ballot.

4. BACKGROUND OF THE ACQUIRER AND PACs

4.1 EMC Limited (“Acquirer”)

4.1.1 The Acquirer is a public limited company incorporated under the laws of India having its registered and corporate office at “Constantia Office Complex”, 11, Dr. U. N. Brahmachari Street, South Block, 8th Floor, Kolkata -700 017, West Bengal, Telephone: +91 33 2289 3122/4 and Facsimile: +91 33 2289 3121. The Acquirer was incorporated on May 18, 1953 as Electrical Manufacturing Company Limited and subsequently its name was changed to EMC Limited on September 8, 2011. The corporate identity number (“CIN”) of the Acquirer is U31901WB1953PLC021044.

4.1.2 As on the date of the DPS, the total issued, subscribed and paid up equity share capital of the Acquirer is ₹ 47,00,00,000 (Rupees forty seven crore) comprising 4,70,00,000 (Four crore and seventy lacs) equity shares of a face value of ₹ 10 each. There are no partly paid-up equity shares in the share capital of the Acquirer.

4.1.3 The Acquirer is not a part of the Existing Promoters of the Target Company as on the date of this Draft Letter of Offer. The Acquirer belongs to the ‘EMC Group’.

4.1.4 The Acquirer provides turnkey solutions in the field of transmission line projects, EHV sub-station and power distribution projects, and for setting up of telecommunication systems covering design, manufacture erection and associated civil works.

4.1.5 The promoters of the Acquirer are Mr. Manoj Toshniwal, Mr. Ramesh Chandra Bardia and Mr. Vinod Dugar. The promoter group comprises of Mr. Shree Kumar Toshniwal, Smt. Sunita Bardia, Subhas Impex Private Limited, MKN Investment Private Limited, Metalind Private Limited, Trinetra Electronics Limited, Tamkore Investment Private Limited, Statefield Trade Link Private Limited, and Sharada Commerce Private Limited.

4.1.6 Name(s) of key shareholders of the Acquirer who forms part of the promoter group as of June 30, 2015 is as below:

Sr. No.	Name of the key shareholders	Number of equity shares held	% shareholding
1.	MKN Investment Private Limited	1,40,00,014	29.79%
2.	Pyramid Sales Private Limited	60,40,001	12.85%
3.	Vinod Dugar	43,18,624	9.19%

4.1.7 As of the date of this Draft Letter of Offer the Acquirer, its directors and its key managerial employees do not have any relationship or ownership interest in the Target Company. The Acquirer, PACs (other than PAC 1) and the Target Company have entered into an Investment Agreement dated June 30, 2015 (as detailed in Background to the Offer below) which has triggered this Open Offer. Other than the relationship established by the Investment Agreement, the Acquirer has no other relationship with the Target Company and PACs (other than PAC1).

4.1.8 As the Acquirer does not hold any Equity Shares and has never held Equity Shares of the Target Company in the past, the provisions of chapter V of the SEBI (SAST) Regulations and chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirer as far as the Target Company is concerned. The Acquirer has not acquired any Shares of Target Company after the date of Public Announcement, i.e. June 30, 2015, and up to the date of this Draft Letter of Offer; hence provisions of chapter V of the SEBI (SAST) Regulations are not applicable.

4.1.9 The shareholding pattern of the Acquirer as on June 30, 2015 is as follows:

Sr. No.	Shareholder's Category	No. of equity shares held	% shareholding
1.	Promoters and promoter group	4,69,15,520	99.82
2.	Public	84,480	0.18
	Total Paid Up Capital	4,70,00,000	100.00

4.1.10 Name, DIN, qualifications, date of appointment and details of experience of the directors on the board of directors of the Acquirer, are as follows:

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
1.	Manoj Toshniwal Managing Director DIN: 00022787	Commerce Graduate	August 12, 2005	A prominent entrepreneur having over two decades of experience and in-depth knowledge and understanding of the power industry.

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
2.	Ramesh Chandra Bardia Joint Managing Director DIN: 00374148	Commerce Graduate	August 12, 2005	A prominent entrepreneur having over three decades of experience in the investment and finance industry and is also the promoter of few companies.
3.	Suraj Mall Singhi Non-Executive Independent Director DIN:00415416	Commerce Graduate LLB from Calcutta University	October 30, 2007	Holds experience of over four decades in the manufacturing and power sectors. Held very senior position in Fort Gloster Industries Limited and also a Director at JDS Trade Links Private Limited, and General Investment Company Limited.
4.	Saubir Bhattacharyya Non-Executive Independent Director DIN: 01383195	M.Sc. (Applied Mathematics) from Calcutta University Law Graduate from Dhaka University and CAIIB	February 22, 2011	Hold over four decades of experience in business, administration, customer service, human resource management for renowned organizations like SBI and also on the panel of Special Directors of BIFR, arbitrators MCX Ltd & NSE Ltd. Held position of Chief Operating Officer of the Calcutta Stock Exchange Limited.
5.	Durga Prasad Sharma Executive Director DIN: 00566546	Bachelor of Commerce with Honours FICWA FCS	April 29, 2008	Holds over four decades of professional experience in some of the leading engineering and steel companies like HDC & Usha Martin.
6.	Manish Agarwal Non-Executive Director DIN: 00485089	ICWA CFA PGDBA	March 27, 2014	Holds over 17 years of professional experience in international and domestic strategic and financial field across sectors like infrastructure, natural resources, urban development, engineering and manufacturing, services and social enterprises etc. Holds membership of industry bodies like Confederation of Indian Industry (CII).

None of the above directors is a Director of the Target Company as of the date of this Draft Letter of Offer.

4.1.11 Brief financial details of the Acquirer, as obtained from its audited financial statements as at and for the twelve-month period ended March 31, 2014, March 31, 2013 and March 31, 2012 and from the unaudited limited review financial statements as at and for the twelve-month period ended March 31, 2015, are as follows:

(₹ in lacs)

Statement of Profit and Loss	For the year ended March 31,			
	2012	2013	2014	2015
	(Audited)	(Audited)	(Audited)	(Unaudited)
Income from Operation	1,20,627.10	2,02,740.73	3,22,458.64	358,460.98
Other Income	438.80	769.87	932.34	1,396.58
Total Income	1,21,065.90	2,03,510.60	3,23,390.98	359,857.56
Total Expenditure	1,10,056.89	183,866.53	293,370.35	325,593.05
Profit Before Depreciation Interest and Tax and Exceptional Items	11,009.00	19,644.08	30,020.63	34,264.51
Exceptional Items	-	-	-	-
Depreciation	477.62	1,366.27	1,824.81	1,676.98
Interest	1,910.80	4,561.27	7,757.52	11,940.96
Profit Before Tax	8,620.58	13,716.54	20,438.30	20,646.56
Provision for Tax	2,928.82	4,479.16	7,164.05	7,829.33
Profit After Tax	5,691.76	9,237.38	13,274.25	12,817.23

(₹ in lacs)

Balance Sheet	As at March 31,			
	2012	2013	2014	2015
	(Audited)	(Audited)	(Audited)	(Unaudited)
Source of Funds				
Paid-up share capital	3,300.00	3,700.00	3,700.00	3,700.00
Reserves and surplus (excluding revaluation reserves)	10,738.83	23,762.64	36,604.01	48,988.36
Networth	14,038.83	27,462.64	40,304.01	52,688.36
Share Application Money	-	-	-	12,500.00
Non Current Liabilities	22,178.42	28,247.75	28,076.36	46,090.82
Current Liabilities	54,173.26	100,503.98	158,303.97	201,390.10
Total	90,390.51	156,214.37	226,684.34	312,669.27
Uses of Funds				
Net fixed assets (including Capital Work in Progress)	13,777.48	19,678.96	19,550.09	18,172.92
Non Current Investments	53.49	1,374.52	1,752.30	7,326.06
Other non current assets	4,903.33	3,578.42	3,461.34	4,257.86
Current Assets	71,656.21	131,582.47	201,920.61	282,912.43
Total	90,390.51	156,214.37	226,684.34	312,669.27

(In ₹ except percentages)

Other Financial Data	For the year ended March 31,			
	2012	2013	2014	2015
Dividend (%)	10.00%	10.00%	10.00%	10.00%
Basic Earning Per Share (“EPS”) (Rs)	17.25	27.97	35.88	34.64
Diluted EPS (Rs)	17.25	27.97	35.88	34.64

(Source: Annual Report for the financial year ended March 31, 2012, March 31, 2013 and March 31, 2014 and unaudited limited reviewed financial statements of the Acquirer for the year ended March 31, 2015.)

4.1.12 As of March 31, 2015, except as mentioned below, the Acquirer does not have any contingent liabilities:

(₹ in Lacs)

Contingent Liabilities (not provided for) in respect of:	As of March 31, 2015
Guarantee’s given by the Acquirer’s bankers on behalf of the Acquirer	1,19,660.83
Corporate guarantees given by the Acquirer	6,481.85
Others – statutory	1,829.17
Grand Total:	1,27,971.85

4.1.13 As on the date of this Draft Letter of Offer, the equity shares of the Acquirer are not listed on any stock exchange in India or overseas.

4.2 MKN Investments Private Limited (“MKN” or “PAC 1”)

4.2.1 MKN is a private limited company incorporated under the laws of India having its registered and corporate office at “Constantia Office Complex”, (B Wing), 8th Floor, 11, Dr. U. N. Brahmachari Street, Kolkata, West Bengal, India – 700 017, Telephone: +91 33 2389 3123 and Facsimile: +91 33 238 93121. MKN was incorporated on May 27, 1991 as MKN Investment Private Limited. The CIN of MKN is U67120WB1991PTC051851.

4.2.2 MKN is a non-banking financial company registered with Reserve Bank of India and is engaged in investment activities.

4.2.3 As on the date of the Draft Letter of Offer, the total issued, subscribed and paid up equity share capital of MKN is ₹ 1,44,65,000 comprising 14,46,500 equity shares of a face value of ₹ 10 each. There are no partly paid-up equity shares in the share capital of MKN.

4.2.4 MKN is not a part of the Existing Promoters of the Target Company as on the date of this Draft Letter of Offer.

4.2.5 MKN is part of the 'EMC Group', to which the Acquirer belongs.

4.2.6 Name(s) of key shareholders of MKN who forms part of promoter group as of date is as below:

Sr. No.	Name of the key shareholders	Number of equity shares held	Percentage Shareholding
1.	Pyramid Sales Pvt Ltd.	4,64,750	32.13%
2.	BFM Industries Ltd.	2,29,000	15.83%
3.	Ravina Exports Pvt. Ltd.	1,37,500	9.51%
4.	Cynosure Mercantile Pvt. Ltd.	1,35,000	9.33%
5.	Sharada Commerce Pvt. Ltd.	1,30,500	9.02%
6.	JB Marketing Pvt. Ltd.	1,25,000	8.64%
7.	Statefield Tradelink Pvt. Ltd.	1,01,625	7.03%
8.	Trinetra Electronics Ltd.	93,625	6.47%
	Sub Total	14,17,000	97.96%

4.2.7 Presently, MKN, its directors, and its key managerial employees do not have any relationship or ownership interest in the Target Company other than 50,00,000 Equity Shares of the Target Company acquired by MKN in March, 2015 under a preferential allotment.

4.2.8 MKN currently holds 50,00,000 Equity Shares constituting 12.32% of the paid up capital of the Target Company, but there are no Directors on the Board of Directors of Target Company representing MKN. It has complied with disclosure requirements under Chapter V of the SEBI (SAST) Regulations, 2011 without any delay.

4.2.9 The shareholding pattern of MKN as on June 30, 2015 is as follows:

Sr. No	Shareholder's Category	No. of equity shares held	Percentage Shareholding
1.	Promoters and promoter group	14,28,500	100.00
	Total Paid Up Capital	14,28,500	100.00

4.2.10 Name, DIN, qualifications, date of appointment and details of experience of the directors on the board of directors of MKN are as follows:

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
1	Mr. Manoj Toshniwal Director DIN:00022787	Commerce Graduate	June 30, 2004	A prominent entrepreneur having over two decades of experience and in-depth knowledge and understanding of the power industry.
2	Mr. Ramesh Chandra Bardia Director DIN:00374148	Commerce Graduate	June 30, 2004	A prominent entrepreneur having over three decades of experience in investment and finance industry and is also the promoter of few companies.
3	Mr. Ashok Kumar Khaitan Director DIN:06608936	Commerce Graduate	June 18, 2013	Holds experience of over 25 years in the field of accounts and taxation.

None of the above directors is a Director of the Target Company as of the date of this Draft Letter of Offer.

4.2.11 Brief financial details of MKN, as obtained from its audited financial statements as at and for the 12-month period ended March 31, 2012, March 31, 2013 and March 31, 2014 and from the unaudited limited review financial statements as at and for the twelve month period ended March 31, 2015, are as follows:

(₹ in lacs)

Statement of Profit and Loss	For the year ended March 31,			
	2012	2013	2014	2015
	(Audited)	(Audited)	(Audited)	(Unaudited)
Income from Operation	208.90	275.34	284.60	356.84
Other Income	1.72	-	551.69	841.25
Total Income	210.62	275.34	836.29	1,198.09
Total Expenditure	15.54	1.04	3.54	35.88
Profit Before Depreciation Interest and Tax and Exceptional Items	195.08	274.30	832.75	1,162.21
Exceptional Items	-	-	-	-
Depreciation	1.43	1.02	0.83	0.68
Interest	182.12	477.10	784.83	1,113.65
Profit Before Tax	11.53	(203.82)	47.09	47.88
Provision for Tax	2.52	114.21	2.32	1.78
Profit After Tax	9.01	(89.61)	44.77	46.09

(₹ in lacs)

Balance Sheet	As at March 31,			
	2012	2013	2014	2015
	(Audited)	(Audited)	(Audited)	(Unaudited)
Source of Funds				
Paid-up share capital	144.65	144.65	144.65	144.65
Reserves and surplus (excluding revaluation reserves)	1,765.43	1,675.82	1,720.58	1,766.67
Networth	1,910.08	1,820.47	1,865.23	1,911.32
Non Current Liabilities	1,800.00	5,570.00	5,750.63	21,216.69
Current Liabilities	564.64	768.26	1,328.16	1,681.39
Total	4,274.72	8,158.73	8,944.02	24,809.40
Uses of Funds				
Net fixed assets (including Capital Work in Progress)	5.69	4.67	3.84	3.16
Non Current Investments	0.40	5,000.40	2,687.90	20,187.91
Other non current assets	3,306.02	2,352.01	2,632.49	1,546.58
Current Assets	962.61	801.64	3,619.79	3,071.75
Total	4,274.72	8,158.73	8,944.02	24,809.40

(In ₹ except percentages)

Other Financial Data	For the year ended March 31,			
	2012	2013	2014	2015
Dividend (%)	Nil	Nil	Nil	Nil
Basic Earning Per Share (“EPS”) (Rs)	0.62	(6.19)	3.09	3.19
Diluted EPS (Rs)	0.62	(6.19)	3.09	3.19

(Source: Annual Report for the financial year ended March 31, 2013 and March 31, 2014 and unaudited limited reviewed financial statements of the PAC 1 for the year ended March 31, 2015.)

4.2.12 As on March 31, 2015, except as mentioned below, MKN does not have any contingent liabilities:

(₹ in lacs)

Contingent Liabilities (not provided for) in respect of:	As of March 31, 2015
Corporate guarantee given as co-guarantor to banks for secured loan taken by the Acquirer	5,35,200
Grand Total:	5,35,200

4.2.13 The equity shares of MKN are not listed on any stock exchange in India or overseas.

4.3 McLeod Russel India Limited (“MRIL” or “PAC 2”)

4.3.1 MRIL, a part of the Williamson Magor Group, is a public limited company incorporated under the laws of India having its registered and corporate office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001, Telephone: +91 33 2210 1221, +91 33 2248 9434/35 and Facsimile: +91 33 2248 3683/ 8114/ 6265. It was incorporated on May 5, 1998 as Eveready Company India Private Limited having its registered office at 1, Middleton Street, Kolkata – 700 071. Pursuant to a scheme of arrangement between Eveready Company India Private Limited and Eveready Industries India Limited, with effect from April 1, 2004, the name of the company was changed to McLeod Russel India Limited. The CIN of MRIL is L51109WB1998PLC087076.

4.3.2 MRIL is engaged in the cultivation, processing and sale of tea.

4.3.3 As on the date of this Draft Letter of Offer, the total issued, subscribed and paid up equity share capital of MRIL is ₹ 54,72,78,685 comprising 10,94,55,735 equity shares of a face value of ₹ 5 each. There are no partly paid-up equity shares in the share capital of MRIL.

4.3.4 MRIL is part of the Existing Promoters of the Target Company as on the date of this Draft Letter of Offer.

4.3.5 Name(s) of key shareholders of MRIL who forms part of promoter group as of June 30, 2015 is as below:

Sr. No.	Name of the key shareholders	Number of equity shares held	Percentage shareholding
1.	Kamal Baheti – (Trustee-Borelli Tea Holdings Limited, U.K.)	2,70,67,500	24.73%
2.	Williamson Magor & Co. Limited	1,16,60,946	10.65%
3.	Williamson Financial Services Limited	58,98,725	5.39%

4.3.6 MRIL is part of the Williamson Magor Group to which the Target Company belongs. Mr. Amritanshu Khaitan, Mr. Utsav Parekh and Mr. Aditya Khaitan who are directors on the board of MRIL, are also directors on the board of the Target Company, with Mr. Aditya Khaitan being the non-executive chairman of the Target Company. Mr. Brij Mohan Khaitan who is a director on the board of MRIL, is one of the promoters of the Target Company. As on the date of this DPS, Mr. Amritanshu Khaitan, Mr. Brij Mohan Khaitan and Mr. Utsav Parekh hold 8,000, 21 and 100 Equity Shares, respectively, in the Target Company.

4.3.7 MRIL currently holds 30,52,295 Equity Shares constituting 7.52% of the paid up capital of the Target Company. Except as set out below, MRIL has complied with disclosure requirements under Chapter V of the SEBI (SAST) Regulations, 2011 without any delay.

Serial No	Regulation/ Sub-regulation	Due date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no. of days)	Status of compliance with takeover regulations	Remarks
7(1), (1A), and 8(2) of SEBI (SAST) Regulations, 1997						
1.	7(1) and (1A)	May 8, 2005	December 16, 2014	3,510	Complied with late filing	Application for consent dated January 5, 2015 filed with SEBI in connection with documents not found/ acknowledgment not found

4.3.8 The shareholding pattern of MRIL as on June 30, 2015 is as follows:

Sr. No	Shareholder's Category	Number of equity shares held	Percentage shareholding
1.	Promoters and promoter group	5,00,68,013	45.74
2.	Mutual Fund/ UTI	1,33,25,177	12.17
3.	Financial Institutions/ Banks	2,97,911	00.27
4.	Central/ State Government(s)	112	0.00
5.	Insurance Companies	24,65,438	2.25
6.	Foreign Institutional Investors	2,86,82,894	26.21
7.	Bodies Corporate	30,70,607	2.81
8.	Resident Individuals	1,06,81,412	9.76

Sr. No	Shareholder's Category	Number of equity shares held	Percentage shareholding
9.	NRIs/OCBs	6,14,049	0.56
10.	Trust	18,035	0.02
11.	Clearing Member	2,32,087	0.21
	Total Paid Up Capital	10,94,55,735	100.00

4.3.9 Name, DIN, qualifications, date of appointment and details of experience of the directors on the board of directors of MRIL, are as follows:

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
1.	Brij Mohan Khaitan Director DIN: 00023771	Bachelor of Commerce	May 5, 1998	Renowned industrialist having interest in tea, batteries and engineering and has great contributions to the tea industry with which he has been associated for around six decades.
2.	Aditya Khaitan Director DIN: 00023788	Bachelor of Commerce with Honours	February 16, 2005	Hails from a renowned family of industrialist and has had in-depth exposure to and involvement in steering diverse business and has gained considerable experience and expertise in corporate finance and management of tea and engineering industries.
3.	Amritanshu Khaitan Director DIN: 00213413	Bachelor of Commerce with Honours MBA (London School of Business)	March 31, 2015	Hails from a renowned family of industrialist and has gained varied experience in marketing of batteries and allied products besides expertise in tea and engineering industries and investment companies.
4.	Padam Kumar Khaitan Director DIN: 00019700	Attorney-at-Law	March 31, 2015	Partner of Messrs Khaitan & Co. LLP., having wide experience in corporate laws and laws relating to capital market.
5.	Dr. Raghavachari Srinivasan Director DIN: 00003968	Ph.D. (in Banking & Finance from Bombay University) CAIIB FIB	March 11, 2005	Has experience of over 4 decades in banking industry by virtue of holding senior positions, including Chairmanship of 3 Public Sector Banks.
6.	Bharat Bajoria Director DIN: 00109241	Bachelor of Science with Honours	March 11, 2005	In-depth experience and exposure for about 4 decades in tea plantation business.
7.	Ranabir Sen Director DIN: 00068697	Graduate from St. Joseph's College in Darjeeling.	March 11, 2005	Has considerable experience in tea auction and was an active member of various tea committees including Tea Board.
8.	Utsav Parekh Director DIN: 00027642	Bachelor of Commerce with Honours	May 26, 2005	Has about 35 years of in-depth experience as an investment banker
9.	Ramni Nirula Director DIN: 00015330	Bachelor of Arts (in Economics) MBA (Delhi University)	September 15, 2011	Highly experienced in corporate banking. Has held senior positions in ICICI Bank and ICICI Securities Limited.
10.	Rajeev Takru Director DIN: 00023796	Bachelor of Arts with Honours	February 16, 2005	Has over 3 decades of experience in tea plantation, processing and Human Resource Development activities.

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
11.	Azam Monem Director DIN: 00023799	Bachelor of Commerce with Honours	February 16, 2005	Has rich experience of about 35 years in tea tasting and marketing in India and abroad.
12.	Kamal Kishore Baheti Director DIN: 00027568	Bachelor of Commerce with Honours, FCA, ACS, AICWA	May 1, 2001	Considerable experience in corporate accounts, finance, capital market activities, restructuring, mergers and demergers of corporate entities.

Mr. Amritanshu Khaitan, Mr. Utsav Parekh and Mr. Aditya Khaitan, who are directors on the board of MRIL, are also directors on the board of the Target Company, with Mr. Aditya Khaitan being the non-executive chairman of the Target Company.

- 4.3.10 The key financial information of MRIL based on its audited financial statements as at and for financial years ended March 31, 2013, March 31, 2014 and March 31, 2015, are as follows:

(₹ in lacs)

Statement of Profit and Loss	For the year ended March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Income from Operation	1,66,855.14	1,78,875.71	1,64,595.47
Other Income	3,442.32	4,435.60	4,470.66
Total Income	1,70,297.46	1,83,311.31	1,69,066.13
Total Expenditure	1,28,733.38	1,43,614.38	1,51,673.52
Profit Before Depreciation Interest and Tax and Exceptional Items	41,564.08	39,696.93	17,392.61
Exceptional Items	30.93	215.99	56.27
Depreciation	3,919.74	3,771.08	7,674.95
Interest	5,104.94	5,979.83	7,190.04
Profit Before Tax	32,508.47	29,730.03	2,471.35
Provision for Tax	4,297.17	3,485.60	(932.83)
Profit After Tax	27,393.03	25,715.25	3,117.37

(₹ in lacs)

Balance Sheet	As at March 31,		
	2012	2013	2014
	(Audited)	(Audited)	(Audited)
Source of Funds			
Paid-up share capital	5,472.79	5,472.79	5,472.79
Reserves and surplus (excluding revaluation reserves)	133,773.90	153,977.62	147,834.13
Networth	139,246.69	159,450.41	153,306.92
Minority Interest	1,531.55	1,838.39	2,405.07
Non Current Liabilities	13,719.93	18,773.11	33,404.37
Current Liabilities	53,006.85	52,472.00	63,899.95
Total	207,505.02	232,533.91	253,016.31
Uses of Funds			
Net fixed assets (including Capital Work in Progress)	140,955.83	156,284.84	166,981.90
Non Current Investments	1,665.37	1,329.22	1,190.33
Other non current assets	19,435.72	24,667.36	16,489.63
Current Assets	45,448.10	50,252.49	68,354.45

Balance Sheet	As at March 31,		
	2012	2013	2014
	(Audited)	(Audited)	(Audited)
Total	207,505.02	232,533.91	253,016.31

(In ₹ except percentages)

Other Financial Data	For the year ended March 31,		
	2012	2013	2014
Dividend (%)	140.00%	140.00%	60.00%
Basic Earning Per Share (“EPS”) (Rs)	25.03	23.49	2.85
Diluted EPS (Rs)	25.03	23.49	2.85

(Source: Annual Report for the financial year ended March 31, 2013, March 31, 2014 and March 31, 2015.)

4.3.11 As on March 31, 2015, except as mentioned below, MRIL does not have any contingent liabilities:

(₹ in lacs)

Contingent Liabilities (not provided for) in respect of:	As of March 31, 2015
Claims against the Company not acknowledged as debts:	
a. Electricity dues	169.87
b. Provident Fund	-
c. Income Tax	1,851.21
d. Service Tax	131.61
e. Disputed Labour Claims	32.00
f. Duty on Tea Stock	21.18
g. Excise Duty	10.75
h. Land Revenue	2.09
i. Others	40.35
Bank Guarantees	123.96
Bills Discounted	1,203.58
Grand Total:	3,586.60

4.3.12 The equity shares of MRIL are listed on BSE (Scrip Code: 532654), NSE (Scrip Code: MCLEODRUSS) and CSE.

4.3.13 Please refer to paragraph 4.10 of this Draft Letter of Offer in connection with details of relationship of MRIL with the Acquirer.

4.4 Williamson Magor & Co. Limited (“WMCL” or “PAC 3”)

4.4.1 WMCL, a part of the Williamson Magor Group, is a public limited company incorporated under the laws of India having its registered and corporate office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001, Telephone: +91 33 2210 1221, +91 33 2243 5391, +91 33 2248 9434/ 9435 and Facsimile: +91 33 2248 3683/ 8114/ 6265. It was incorporated on March 10, 1949 as Macneill & Barry Limited. The name of Macneill & Barry Limited was changed to Macneill & Magor Limited on April 19, 1975 and thereafter the name was changed to Williamson Magor & Co. Limited on May 12, 1992. The CIN of WMCL is L01132WB1949PLC017715.

4.4.2 WMCL is a non-banking financial company engaged in the business of lending and investment.

4.4.3 As on the date of this Draft Letter of Offer, the total issued, subscribed and paid up equity share capital of WMCL is ₹ 10,95,63,600 comprising 1,09,56,360 equity shares of a face value of ₹ 10 each. There are no partly paid-up equity shares in the share capital of WMCL.

4.4.4 WMCL is part of the Existing Promoters of the Target Company as on the date of this Draft Letter of Offer.

4.4.5 Name(s) of key shareholders of WMCL who forms part of promoter group as of June 30, 2015 is as below:

Sr. No.	Name of the key shareholders	Number of equity shares held	% shareholding
1.	Bishnauth Investments Limited	50,36,629	45.97%
2.	United Machine Co. Limited	9,07,210	8.28%
3.	Ichamati Investments Limited	8,35,364	7.62%

4.4.6 WMCL is part of the Williamson Magor Group to which the Target Company belongs. Mr. Amritanshu Khaitan and Mr. Aditya Khaitan, who are directors on the board of WMCL, are also directors on the board of the Target Company, Mr. Aditya Khaitan being the non-executive chairman of the Target Company. Mr. Brij Mohan Khaitan who is a director on the board of WMCL is one of the promoters of the Target Company. As on the date of this DPS, Mr. Amritanshu Khaitan and Mr. Brij Mohan Khaitan hold 8,000 and 21 Equity Shares respectively in the Target Company. Mr. Swaminathan T.R., one of the non executive directors of WMCL holds 500 shares in the Target Company. Further, the Target Company has issued 30,00,000 warrants to WMCL at ₹ 100 per warrant convertible into one Equity Share per warrant. WMCL vide letter dated June 30, 2015 has undertaken not to convert its outstanding warrants into Equity Shares of the Target Company until the expiry of 15 Working Days from the Closure of the Tendering Period.

4.4.7 WMCL currently holds 51,79,748 Equity Shares constituting 12.76% of the paid up capital of the Target Company. WMCL has complied with disclosure requirements under Chapter V of the SEBI (SAST) Regulations, 2011 without any delay.

4.4.8 The shareholding pattern of WMCL as on June 30, 2015 is as follows:

Sr. No	Shareholder's Category	Number of equity shares held	% shareholding
1.	Promoters and promoter group	67,94,443	62.01
2.	Financial Institutions and Banks	6,880	0.06
3.	Insurance Companies	2,68,973	2.46
4.	Bodies Corporate	5,34,666	4.88
5.	NRIs/ OCBs	1,04,135	0.95
6.	Resident Individuals	32,42,919	29.60
7.	Clearing Member	4,344	0.04
	Total Paid Up Capital	1,09,56,360	100.00

4.4.9 Name, DIN, qualifications, date of appointment and details of experience of the directors on the board of directors of WMCL, are as follows:

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
1.	Brij Mohan Khaitan Non-Executive Director (Chairman) DIN: 00023771	Bachelor of Commerce	January 31, 1975	Renowned industrialist having interest in tea, batteries and engineering and has great contributions to the tea industry with which he has been associated for around six decades.
2.	Aditya Khaitan Non-Executive Director (Vice Chairman) DIN: 00023788	Bachelor of Commerce with Honours	November 26, 1991	Hails from a renowned family of industrialist and has had in-depth exposure to and involvement in steering diverse business and has gained considerable experience and expertise in corporate finance and management of tea and engineering industries.
3.	Amritanshu Khaitan Additional Director DIN: 00213413	MBA (London Business School)	March 31, 2015	Hails from a renowned family of industrialist and has gained varied experience in marketing of batteries and allied products besides expertise in tea and engineering industries and investment companies
4.	Tippirajapuram Ramamirda Swaminathan Director DIN: 00469558	Bachelor of Commerce FCA FCMA J.Dip.	September 11, 1985	Mr. Swaminathan during his long career with the Williamson Magor Group has gathered considerable experience of finance, taxation and secretarial

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
		MA FICWA		functions as well as overall business management.
5.	Rama Shankar Jhawar Director DIN: 00023792	Bachelor of Commerce LL.B. Fellow Chartered Accountant ACMA	May 4, 2001	Mr. Jhawar has been associated with the Williamson Magor Group in various capacities for about five decades and has valuable experience in corporate management. During his tenure of employment with Williamson Magor & Co. Limited, he has held senior positions in finance and general management.
6.	Raghavachari Srinivasan Director DIN: 00003968	Ph.D. (in Banking & Finance from Bombay University) CAIIB FIB	March 29, 2005	A renowned expert in banking and finance, Dr. Srinivasan has held very senior positions in this field including the chairmanship of three large nationalized banks viz. Bank of India, Allahabad Bank and New Bank of India (which was merged with Punjab National Bank), and of the Indian Bank's Association, the apex body of the banking industry. He advises various corporate in the areas of banking, finance and capital markets.
7.	Golam Momen Director DIN: 00402662	Bachelor of Arts	March 23, 2005	Well known in business circle, especially in the tea industry.
8.	Bharat Bajoria Director DIN : 00109241	Bachelor of Science with Honours	December 18, 2008	Mr. Bajoria is associated with the tea industry since 1975 and during his long career for about four decades he has gathered considerable experience in all aspects of the tea plantation business.
9.	Harishchandra Maneklal Parekh Director DIN: 00026530	Bachelor of Commerce with Honours	March 30, 2009	Mr. Parekh has over five decades of experience in the tea industry.
10.	Sonali Singh Additional Director DIN : 07024876	Bachelor of Arts, College of Arts & Science from Cornell University, U.S.A. MBA (Fountaine Bleau, France)	March 31, 2015	Ms. Sonali Singh has gained experience in business strategy and operations of the hotel and travel industries.

Mr. Amritanshu Khaitan and Mr. Aditya Khaitan, who are directors on the board of WMCL, are also directors on the board of the Target Company, Mr. Aditya Khaitan being the non-executive chairman of the Target Company.

4.4.10 The key financial information of WMCL based on its audited financial statements as at and for financial years ended March 31, 2013, March 31, 2014 and March 31, 2015, are as follows:

(₹ in lacs)

Statement of Profit and Loss	For the year ended March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Income from Operation	2,255.62	2,720.18	3,582.59
Other Income	38.75	28.81	281.86
Total Income	2,294.37	2,748.99	3,864.45
Total Expenditure	886.08	679.05	1,526.97
Profit Before Depreciation Interest and Tax and Exceptional Items	1,408.29	2,069.95	2,337.48
Exceptional Items	(1,559.73)	-	(722.76)

Statement of Profit and Loss	For the year ended March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Depreciation	13.56	12.04	19.35
Interest	2,431.87	2,692.59	3,226.62
Profit Before Tax	522.59	(634.69)	(185.73)
Provision for Tax	81.44	210.23	233.87
Profit After Tax	441.15	(844.92)	(419.60)

(₹ in lacs)

Balance Sheet	As at March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Source of Funds			
Paid-up share capital	1,095.64	1,095.64	1,095.64
Reserves and surplus (excluding revaluation reserves)	12,443.98	11,599.06	11,178.74
Networth	13,539.62	12,694.70	12,274.38
Non Current Liabilities	1,804.30	4,484.69	3,367.84
Current Liabilities	14,734.34	11,691.49	16,898.62
Total	30,078.26	28,870.88	32,540.84
Uses of Funds			
Net fixed assets (including Capital Work in Progress)	237.22	224.85	204.24
Non Current Investments	22,166.61	22,111.57	24,047.32
Other non current assets	42.00	44.05	69.33
Current Assets	7,632.43	6,490.41	8,219.95
Total	30,078.26	28,870.88	32,540.84

(in ₹ except percentage)

Other Financial Data	For the year ended March 31,		
	2013	2014	2015
Dividend (%)	Nil	Nil	Nil
Basic Earning Per Share ("EPS") (Rs)	4.03	(7.71)	(3.83)
Diluted EPS (Rs)	4.03	(7.71)	(3.83)

(Source: Annual Report for the financial year ended March 31, 2013, March 31, 2014 and March 31, 2015.)

4.4.11 As on March 31, 2015, except as mentioned below, WMCL does not have any contingent liabilities:

(₹ in lacs)

Contingent Liabilities (not provided for) in respect of:	As of March 31, 2015
Claims against the Company not acknowledged as debts:	7.11
b. Excise matters under dispute	265.83
b. Service Tax Matters under dispute	-
c. Income Tax Matters under dispute	0.93
d. Others	
Guarantees given for loans granted to companies	
Corporate Guarantee given in respect of loans borrowed by a Company	
a. Guarantee Amount	8,000.00
b. Loan Balance Outstanding	8,000.00
Grand Total:	16,273.87

4.4.12 The equity shares of WMCL are listed on BSE, NSE and CSE.

4.4.13 Please refer to paragraph 4.10 of this Draft Letter of Offer in connection with details of relationship of WMCL with the Acquirer.

4.5 Babcock Borsig Limited (“BBL” or “PAC 4”)

4.5.1 BBL, a part of the Williamson Magor Group, is a public limited company incorporated under the laws of India having its registered and corporate office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001, Telephone: +91 33 2210 1221, +91 33 2243 5391/ 5393, +91 33 2248 9434/ 9435 and Facsimile: +91 33 2248 8114/ 3683. It was incorporated on April 29, 1993 as Deutsche Babcock Limited. The name of Deutsche Babcock Limited was changed to Babcock Borsig Limited on June 7, 1999. The CIN of BBL is U67120WB1993PLC058690.

4.5.2 BBL is engaged in the business of non-banking financial and investment activities.

4.5.3 As on the date of this Draft Letter of Offer, the total issued, subscribed and paid up equity share capital of BBL is ₹ 6,84,00,000 comprising 68,40,000 equity shares of a face value of ₹ 10 each. There are no partly paid-up equity shares in the share capital of BBL.

4.5.4 BBL is part of the Existing Promoters of the Target Company as on the date of this Draft Letter of Offer.

4.5.5 Name(s) of key shareholders of BBL who forms part of promoter group as of June 30, 2015 is as below:

Sr. No.	Name of the key shareholders	Number of equity shares held	% shareholding
1.	Williamson Magor& Co. Limited	25,08,013	36.67%
2.	Borelli Tea Holdings Limited	12,99,600	19.00%
3.	Williamson Financial Services Limited	10,26,000	15.00%
4.	United Machine Co. Limited	10,03,194	14.67%
5.	Ichamati Investments Limited	10,03,193	14.66%
	Grand Total	68,40,000	100.00%

4.5.6 BBL is part of the Williamson Magor Group, to which the Target Company belongs. Mr. Aditya Khaitan, who is a director on the board of BBL, is a non-executive chairman on the board of the Target Company. Mr. Brij Mohan Khaitan who is a director on the board of BBL is one of the promoters of the Target Company and holds 21 Equity Shares in the Target Company.

4.5.7 BBL currently holds 13,01,000 Equity Shares constituting 3.20% of the paid up capital of the Target Company. BBL has complied with disclosure requirements under Chapter V of the SEBI (SAST) Regulations, 2011 without any delay.

4.5.8 The shareholding pattern of BBL as on June 30, 2015 is as follows:

Sr. No	Shareholder's Category	Number of equity shares held	% shareholding
1.	Promoters and promoter group	68,40,000	100.00
	Total Paid Up Capital	68,40,000	100.00

4.5.9 Name, DIN, qualifications, date of appointment and details of experience of the directors on the board of directors of BBL, are as follows:

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
1.	Brij Mohan Khaitan Director DIN: 00023771	Bachelor of Commerce with Honours	April 29, 1993	Renowned industrialist having interest in tea, batteries and engineering and has great contributions to the tea industry with which he has been associated for around six decades.
2.	Aditya Khaitan Director DIN: 00023788	Bachelor of Commerce with Honours	April 29, 1993	Hails from a renowned family of industrialist and has in-depth exposure and involvement in steering diverse business with considerable experience and expertise in corporate finance and management of tea and engineering industries.

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
3.	Amitabha Guha Sarkar Director DIN: 00023766	Bachelor of Commerce with Honours LL.B. Associate Company Secretary	May 25, 2009	Has 33 years experience in corporate law and handling company secretarial matters.
4.	Bihari Kumar Newar Director DIN: 00023758	Bachelor of Commerce with Honours Associate Company Secretary Fellow Chartered Accountant	August 11, 2010	Has considerable experience in corporate accounts, banking and related activities.
5.	Vijay Kumar Singh Director DIN : 00256195	Bachelor of Commerce with Honours	August 11, 2010	Varied experience in banking, accounting and finance functions in the tea industry and in investment companies.

Mr. Aditya Khaitan, who is a director on the board of BBL, is a non-executive chairman on the board of the Target Company.

- 4.5.10 The key financial information of BBL based on its audited financial statements as at and for financial years ended March 31, 2013, March 31, 2014 and March 31, 2015, are as follows:

(₹ in lacs)

Statement of Profit and Loss	For the year ended March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Income from Operation	1,203.60	2,815.60	3,638.27
Other Income	42.74	6.59	-
Total Income	1,246.33	2,822.20	3,638.27
Total Expenditure	35.32	62.56	454.52
Profit Before Depreciation Interest and Tax and Exceptional Items	1,211.01	2,759.64	3,183.75
Exceptional Items	-	-	-
Depreciation	0.24	0.17	-
Interest	1528.13	3,271.63	3,835.70
Profit Before Tax	(317.36)	(512.16)	(651.95)
Provision for Tax	15.00	20.00	70.07
Profit After Tax	(332.36)	(532.16)	(722.02)

(₹ in lacs)

Balance Sheet	As at March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Source of Funds			
Paid-up share capital	684.00	684.00	684.00
Reserves and surplus (excluding revaluation reserves)	1,252.53	720.37	(1.79)
Networth	1,936.53	1,404.37	682.21
Non Current Liabilities	625.00	10,000.00	9,500.00
Current Liabilities	11,600.24	12,357.96	16,827.95

Balance Sheet	As at March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Total	14,161.77	23,762.33	27,010.17
Uses of Funds			
Net fixed assets (including Capital Work in Progress)	0.75	0.58	0.37
Non Current Investments	4,249.93	4,249.93	4,197.39
Other non current assets	0.25	0.25	0.25
Current Assets	9,910.84	19,511.56	22,812.16
Total	14,161.77	23,762.33	27,010.17

(in ₹ except percentage)

Other Financial Data	For the year ended March 31,		
	2013	2014	2015
Dividend (%)	Nil	Nil	Nil
Basic Earning Per Share ("EPS") (Rs)	(4.86)	(7.78)	(10.56)
Diluted EPS (Rs)	(4.86)	(7.78)	(10.56)

(Source: Annual Report for the financial year ended March 31, 2013, March 31, 2014 and March 31, 2015.)

4.5.11 As on March 31, 2015, except as mentioned below, BBL does not have any contingent liabilities:

(₹ in lacs)

Contingent Liabilities (not provided for) in respect of:	As of March 31, 2015
Claims against the Company not acknowledged as debts:	
Disputed tax for which the Company has preferred appeal before appropriate authority	
a. Demand Income Tax Matters	132.42
b. Demand Service Tax Matters	25.99
Grand Total:	158.41

4.5.12 The equity shares of BBL are not listed on any stock exchange in India or overseas.

4.5.13 Please refer to paragraph 4.10 of this Draft Letter of Offer in connection with details of relationship of BBL with the Acquirer.

4.6 Williamson Financial Services Limited ("WFSL" or "PAC 5")

4.6.1 WFSL, a part of the Williamson Magor Group, is a public limited company incorporated under the laws of India having its registered office at Udayan, House no. 147, 2nd floor, Ganeshguri, R. G. Baruah Road, Guwahati - 781 005, Telephone: +91 33 2243 5391/ 93, +91 33 2210 1221, and Facsimile: +91 33 2248 3683. The corporate office of WFSL is at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001, Telephone: +91 33 2243 5391/ 5393, +91 33 2210 1221, +91 33 2248 9434/ 9435 and Facsimile: +91 33 2248 3683/ 8114. It was incorporated on December 17, 1971 as Makum Tea Company (India) Limited having its registered office at P.O. Margherita, District: Dibrugarh, Assam. The name of the Company was changed to Williamson Financial Services Limited on December 20, 1994. The CIN of WFSL is L67120AS1971PLC001358.

4.6.2 WFSL is engaged in the business of non-banking financial and investment activities.

4.6.3 As on the date of this Draft Letter of Offer, the total issued, subscribed and paid up equity share capital of WFSL is ₹ 8,35,91,360 comprising 83,59,136 equity shares of a face value of ₹ 10 each. There are no partly paid-up equity shares in the share capital of WFSL.

4.6.4 WFSL is part of the Existing Promoters of the Target Company as on the date of this Draft Letter of Offer.

4.6.5 Name(s) of key shareholders of WFSL who forms part of promoter group as of June 30, 2015 is as below:

Sr. No.	Name of the key shareholders	Number of equity shares held	Percentage shareholding
1.	Williamson Maknam Limited	23,46,500	28.07%
2.	McLeod Russel India Limited	16,66,953	19.94%
3.	Bishnauth Investments Limited	8,57,498	10.26%

Sr. No.	Name of the key shareholders	Number of equity shares held	Percentage shareholding
4.	Williamson Magor& Co. Limited	5,76,250	6.89%
	Grand Total	54,47,201	65.16%

- 4.6.6 WFSL is part of the Williamson Magor Group to which the Target Company belongs. WFSL holds 15,51,000 Equity Shares of the Target Company. Mr. Amritanshu Khaitan, Miss Nandini Khaitan and Mr. Aditya Khaitan who are directors on the board of WFSL, are also directors on the board of the Target Company, Mr. Aditya Khaitan being the non-executive chairman of the Target Company. Mr. Amritanshu Khaitan, Mr. T R Swaminathan and Mr. Chandrakant Pasari who are directors on the board of WFSL hold 8,000, 500, and 1,51,500 Equity Shares, respectively, in the Target Company.
- 4.6.7 WFSL currently holds 15,51,000 Equity Shares constituting 3.82% of the paid up capital of the Target Company. WFSL has complied with disclosure requirements under Chapter V of the SEBI (SAST) Regulations, 2011 without any delay.
- 4.6.8 The shareholding pattern of WFSL as on June 30, 2015 is as follows:

Sr. No	Shareholder's Category	Number of equity shares held	% shareholding
1.	Promoters and promoter group	54,83,979	65.61
2.	Mutual Funds/ UTI	2,900	0.04
3.	Financial Institutions and Banks	1,855	0.02
4.	Insurance Companies	88,774	1.06
7.	Bodies Corporate	4,65,464	5.57
8.	NRIs/ OCBs	1,00,584	1.20
9.	Resident Individuals	22,15,500	26.50
10.	Clearing Member	80	0.00
	Total Paid Up Capital	83,59,136	100.00

- 4.6.9 Name, DIN, details of experience, qualifications, and date of appointment of the directors on the board of directors of WFSL, are as follows:

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
1.	Aditya Khaitan Director DIN: 00023788	Bachelor of Commerce with Honours	March 11, 1994	Hails from a renowned family of industrialist and has had in-depth exposure to and involvement in steering diverse business and has gained considerable experience and expertise in corporate finance and management of tea and engineering industries.
2.	Tippirajapuram Ramamirda Swaminathan Director DIN: 00469558	Bachelor of Commerce with Honours Fellow Chartered Accountant FCMA J.Dip MA & FCS, FICWA	May 11, 2001	Varied experience in finance, taxation, and secretarial functions as well as overall business management.
3.	Amritanshu Khaitan Additional Director DIN: 00213413	Bachelor of Commerce with Honours M.B.A. (London Business School)	March 31, 2015	Hails from a renowned family of industrialist and has gained varied experience in marketing of batteries and allied products besides expertise in tea and engineering industries and investment companies.
4.	Rama Shankar Jhavar Director	Bachelor of Commerce with Honours	May 11, 2001	Varied experience in corporate finance, lending, investment

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
	DIN: 00023792	FCA LLB ACMA		and other aspects of corporate management.
5.	Kamal Kishore Baheti Director DIN: 00027568	Bachelor of Commerce with Honours FCA ACS AICWA	May 1, 2001	Varied experience in corporate finance, capital market activities, restructuring, mergers and demergers of corporate entities.
6.	Chandrakant Pasari Director DIN: 00543935	Bachelor of Commerce with Honours	December 30, 2005	Vast experience in various industries in the directorial level.
7.	Gobind Prasad Saraf Director DIN: 00206447	Bachelor of Commerce with Honours	December 24, 2008	Vast experience in business and its overall management especially in printing industry.
8.	Jatin Hazarika Director DIN: 00546175	Bachelor of Arts with Honours IAS (Retd.)	August 7, 2007	Vast experience in overall business management and administration.
9.	Nandini Khaitan Director DIN: 06941351	LL.B. LL.M.	19/09/2014	Legal professional specialising in litigation and dispute resolution with over ten years of experience.

Mr. Amritanshu Khaitan, Miss Nandini Khaitan and Mr. Aditya Khaitan who are directors on the board of WFSL, are also directors on the board of the Target Company, Mr. Aditya Khaitan being the non executive chairman of the Target Company.

- 4.6.10 The key financial information of WFSL based on its audited financial statements as at and for financial years ended March 31, 2013, March 31, 2014 and March 31, 2015, are as follows:

(₹ in lacs)

Statement of Profit and Loss	For the year ended March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Income from Operation	108.75	855.50	1,255.12
Other Income *	378.41	1,491.26	3,007.80
Total Income	487.16	2,346.76	4,262.92
Total Expenditure	586.38	110.95	92.12
Profit Before Depreciation Interest and Tax and Exceptional Items	(99.22)	2,235.80	4,170.80
Exceptional Items	-	-	-
Depreciation	0.63	0.65	1.89
Interest	879.14	1,316.25	1,655.32
Profit Before Tax	(979.00)	918.90	2,513.59
Provision for Tax	-	(0.26)	(0.11)
Profit After Tax	(979.00)	918.64	2,513.48

* including provision for diminution in the value of long term investments written back.

(₹ in lacs)

Balance Sheet	As at March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Source of Funds			
Paid-up share capital	835.91	835.91	835.91
Reserves and surplus (excluding revaluation reserves)	875.77	1,794.41	4,307.83
Networth	1,711.68	2,630.32	5,143.74
Non Current Liabilities	1,552.11	54.11	61.54
Current Liabilities	6,062.16	8,325.82	13,076.62
Total	9,325.95	11,010.25	18,281.90
Uses of Funds			
Net fixed assets (including Capital Work in Progress)	9.20	9.26	11.38
Non Current Investments	8,393.57	10,143.73	13,612.41
Other non current assets	0.33	0.72	0.64
Current Assets	922.85	856.54	4,657.48
Total	9,325.95	11,010.25	18,281.90

(in ₹ except percentage)

Other Financial Data	For the year ended March 31,		
	2013	2014	2015
Dividend (%)	Nil	Nil	Nil
Basic Earning Per Share ("EPS") (Rs)	(11.71)	10.99	30.07
Diluted EPS (Rs)	(11.71)	10.99	30.07

(Source: Annual Report for the financial year ended March 31, 2013, March 31, 2014 and March 31, 2015.)

4.6.11 As on March 31, 2015, except as mentioned below, WFSL does not have any contingent liabilities:

(₹ in lacs)

Contingent Liabilities (not provided for) in respect of:	As of March 31, 2015
Pledge of certain shares held by Company in respect of loan availed by third party	4,723.03
Grand Total:	4,723.03

4.6.12 The equity shares of WFSL are listed on BSE and CSE.

4.6.13 Please refer to paragraph 4.10 of this Draft Letter of Offer in connection with details of relationship of WFSL with the Acquirer.

4.7 Kilburn Engineering Limited ("KEL" or "PAC 6")

4.7.1 KEL, a part of the Williamson Magor Group, is a public limited company incorporated under the laws of India having its registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001, Telephone: + 91 33 2231 3337 and Facsimile: +91 33 2231 4768. The corporate office of KEL is at # 6, MIDC Saravali, Kalyan Bhiwandi Road, Thane, 421 311, Maharashtra. It was incorporated on September 7, 1987 as Kilburn Engineering Limited. The CIN of KEN is L24232WB1987PLC042956.

4.7.2 KEL is into the business of designing, engineering, manufacturing, installation and commissioning of drying systems and other engineered equipment.

4.7.3 As on the date of this Draft Letter of Offer, the total issued, subscribed and paid up equity share capital of KEL is ₹ 13,25,57,680 comprising 1,32,55,768 equity shares of a face value of ₹ 10 each. There are no partly paid-up equity shares in the share capital of KEL.

4.7.4 KEL is part of the Existing Promoters of the Target Company as on the date of this Draft Letter of Offer.

4.7.5 Name(s) of key shareholders of KEL who forms part of promoter group as of June 30, 2015 is as below:

Sr. No.	Name of the key shareholders	Number of equity shares held	Percentage shareholding
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1.	Williamson Magor & Co. Ltd	43,19,043	32.58%
2.	Bishnauth Investments Limited (formerly Metals Centre limited)	14,54,200	10.97%
3.	United Machine Co. Limited	9,29,126	7.01%
4.	McLeod Russel India Limited	8,48,168	6.40%
	Grand Total	75,50,537	56.96%

4.7.6 KEL is part of the Williamson Magor Group to which the Target Company belongs. Further, three directors of KEL, namely, Mr. Aditya Khaitan, Mr. Amritanshu Khaitan, and Mr. Subir Ranjan Dasgupta are also directors of the Target Company, with Mr. Aditya Khaitan being the non-executive chairman of the Target Company. Mr. Amritanshu Khaitan, and Mr. Subir Ranjan Dasgupta hold 8,000, 2,500 Equity Shares, respectively, in the Target Company.

4.7.7 KEL currently holds 8,54,300 Equity Shares constituting 2.10% of the paid up capital of the Target Company. KEL has complied with disclosure requirements under Chapter V of the SEBI (SAST) Regulations, 2011 without any delay.

4.7.8 The shareholding pattern of KEL as on June 30, 2015 is as follows:

Sr. No	Shareholder's Category	Number of equity shares held	Percentage shareholding
1.	Promoters and promoter group	75,67,738	57.09
2.	Financial Institutions and Banks	1,800	0.014
3.	Foreign Holdings	0	0.00
4.	Other Corporate Bodies	7,98,618	6.03
5.	Mutual Funds	900	0.01
6.	Public	48,86,712	36.83
	Total Paid Up Capital	1,32,55,768	100.00

4.7.9 Name, DIN, qualifications, date of appointment and details of experience of the directors on the board of directors of KEL, are as follows:

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
1.	Aditya Khaitan Additional Director (Chairman) DIN : 00023788	Bachelor of Commerce with Honours	March 31, 2015	Hails from a renowned family of industrialist and has had in-depth exposure to and involvement in steering diverse business and has gained considerable experience and expertise in corporate finance and management of tea and engineering industries.
2.	Supriya Mukherjee Managing Director DIN : 00127747	B.Com with Honours FCA	July 16, 2004	Corporate management in different roles.
3.	Amritanshu Khaitan Director DIN: 00213413	Bachelor of Commerce with Honours M.B.A. (London Business School)	May 27, 2005	Hails from a renowned family of industrialist and has gained varied experience in marketing of batteries and allied products besides expertise in tea and engineering industries and investment companies.
4.	Subir Ranjan Dasgupta Independent Director DIN: 01401511	B.A. (Economics)	February 11, 2004	Management of business affairs of large companies.
5.	Padam Kumar Khaitan Independent Director DIN: 00019700	Attorney at Law	August 11, 2011	Renowned lawyer with vast experience in diverse corporate and other legal matters.

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
6.	Manmohan Singh Independent Director DIN : 00699314	B.A Economics (Hons), LLB	March 30, 2009	Vast experience in hotel and travel industry.
7.	Gobind Prasad Saraf Independent Director DIN : 00206447	Bachelor of Commerce	March 30, 2009	Vast experience in business and its overall management especially in printing industry.
8.	Priya Saran Chaudhri Additional Director DIN : 00704863	Graduation with double major in Economics and Art History	November 14, 2014	Vast experience in business affairs and its overall management.

Three directors of KEL, namely, Mr. Aditya Khaitan, Mr. Amritanshu Khaitan, and Mr. Subir Ranjan Dasgupta are also directors of the Target Company, with Mr. Aditya Khaitan being the non-executive chairman of the Target Company.

- 4.7.10 The key financial information of KEL based on its audited financial statements as at and for financial years ended March 31, 2013, March 31, 2014 and March 31, 2015, are as follows:

(₹ in lacs)

Statement of Profit and Loss	For the year ended March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Income from Operation	7,361.67	11,650.81	12,068.58
Other Income	212.40	256.30	343.04
Total Income	7,574.07	11,907.11	12,411.62
Total Expenditure	8,241.37	10,733.79	10,862.96
Profit Before Depreciation Interest and Tax and Exceptional Items	(667.30)	1,173.32	1,548.66
Exceptional Items	-	-	-
Depreciation/ Amortization	332.03	333.81	420.41
Interest	681.77	513.84	546.13
Profit Before Tax	(1,681.10)	325.67	582.12
Provision for Tax	-	87.00	168.36
Profit After Tax	(1,681.10)	238.67	413.76

(₹ in lacs)

Balance Sheet	As at March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Source of Funds			
Paid-up share capital	1,325.58	1,325.58	1,325.58
Reserves and surplus (excluding revaluation reserves)	7,844.14	8,082.81	8,485.70
Networth	9,169.72	9,408.39	9,811.28
Non Current Liabilities	288.21	267.32	278.05
Current Liabilities	7,884.79	8,897.58	10,801.87
Total	17,342.72	18,573.29	20,891.20
Uses of Funds			
Net fixed assets (including Capital Work in Progress)	6,875.10	6,605.96	6,453.91
Non Current Investments	1,910.49	1,789.17	1709.65
Other non current assets	536.60	831.34	475.83
Current Assets	8,020.53	9,346.82	12,251.81
Total	17,342.72	18,573.29	20,891.20

(in ₹ except percentage)

Other Financial Data	For the year ended March 31,		
	2013	2014	2015
Dividend (%)	Nil	Nil	Nil
Basic Earning Per Share (“EPS”) (Rs)	(12.68)	1.80	3.12
Diluted EPS (Rs)	(12.68)	1.80	3.12

(Source: Annual Report for the financial year ended March 31, 2013, March 31, 2014 and March 31, 2015.)

4.7.11 As on March 31, 2015, except as mentioned below, KEL does not have any contingent liabilities:

(₹ in lacs)

Contingent Liabilities (not provided for) in respect of:	As of March 31, 2015
a. Letters of credit and Bank Guarantee	3,712.57
b. Demand Notice from DGFT for non-fulfilling of export obligations	137.00
c. Claim for superannuation fund dues/retrenchment compensation	-
d. Order from Deputy Commissioner of Sales Tax, Mumbai for the year 2008-09	30.75
e. Demand Notice from Maharashtra State VAT Authority for assessment year 2005-06	111.98
f. Demand Notice from Central Sales Tax Authorities for assessment year 2005-06	639.73
g. Demand Notice from Income Tax Authorities disallowing certain expenses for assessment year 2011-12	35.39
h. Other claims not acknowledged as debt	0.80
Grand Total:	4,668.22

4.7.12 The equity shares of KEL are listed on BSE and CSE.

4.7.13 Please refer to paragraph 4.10 of this Draft Letter of Offer in connection with details of relationship of KEL with the Acquirer.

4.8 Bishnauth Investments Limited (“BIL” or “PAC 7”)

4.8.1 BIL, a part of the Williamson Magor Group, is a public limited company incorporated under the laws of India having its registered and corporate office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001, Telephone: +91 33 2210 1221, +91 33 2243 5391/ 5393, +91 33 2248 9434/ 9435 and Facsimile: +91 33 2248 8114/ 3683. It was incorporated on December 20, 1983 as Metals Centre Limited. The name of Metals Centre Limited was changed to Bishnauth Investments Limited on April 9, 2013. The CIN of the BIL is U51420WB1983PLC037026.

4.8.2 BIL is engaged in investment activities.

4.8.3 As on the date of this Draft Letter of Offer, the total issued, subscribed and paid up equity share capital of BIL is ₹ 2,00,00,000 comprising 2,00,000 equity shares of a face value of ₹ 100 each. There are no partly paid-up equity shares in the share capital of BIL.

4.8.4 BIL is part of the Existing Promoters of the Target Company as on the date of this Draft Letter of Offer.

4.8.5 Name(s) of key shareholders of BIL who forms part of promoter group as of June 30, 2015 is as below:

Sr. No.	Name of the key shareholders	Number of equity shares held	% shareholding
1.	United Machine Co. Limited	1,00,000	50.00%
2.	Ichamati Investments Limited	99,994	49.99%
	Grand Total	1,99,994	99.99%

4.8.6 BIL is part of the Williamson Magor Group to which the Target Company belongs. None of the directors of BIL are on the Board of Directors of the Target Company and none of them hold any Equity Shares in the Target Company.

4.8.7 BIL currently holds 99,400 Equity Shares constituting 0.24% of the paid up capital of the Target Company. BIL has complied with disclosure requirements under Chapter V of the SEBI (SAST) Regulations, 2011 without any delay.

4.8.8 The shareholding pattern of BIL as on June 30, 2015 is as follows:

Sr. No	Shareholder's Category	Number of equity shares held	% shareholding
1.	Promoters and promoter group	2,00,000	100.00
	Total Paid Up Capital	2,00,000	100.00

4.8.9 Name, DIN, details of experience, qualifications, and date of appointment of the directors on the board of directors of BIL, are as follows:

Sr. No.	Name of Director, Designation and DIN	Qualification	Date of Appointment	Nature of Experience
1.	Amitabha Guha Sarkar Director DIN: 00023766	Bachelor of Commerce with Honours LL.B. Associate Company Secretary	October 22, 2003	Has 33 years of experience in corporate law and handling company secretarial matters.
2.	Rama Shankar Jhavar Director DIN: 00023792	Bachelor of Commerce with Honours LL.B. Fellow Chartered Accountant ACMA	September 25, 1998	Has considerable experience in accounts, finance, capital markets, mergers and acquisition activities.
3.	Kamal Kishore Baheti Director DIN: 00027568	Bachelor of Commerce with Honours FCA ACS AICWA	May 1, 2001	Has considerable experience in accounts, finance, capital markets, mergers and acquisition activities.
4.	Bihari Kumar Newar Director DIN: 00023758	Bachelor of Commerce with Honours FCS Fellow Chartered Accountant	October 22, 2003	Has considerable experience in corporate accounts, banking and related activities.

None of the above directors is a Director of the Target Company as of the date of this Draft Letter of Offer.

4.8.10 The key financial information of BIL based on its audited financial statements as at and for financial years ended March 31, 2013, March 31, 2014 and March 31, 2015, are as follows:

(₹ in lacs)

Statement of Profit and Loss	For the year ended March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Income from Operation	256.02	284.87	305.25
Other Income	61.02	0.41	39.90
Total Income	317.04	285.27	345.16
Total Expenditure	3.38	19.28	18.88
Profit Before Depreciation Interest and Tax and Exceptional Items	313.66	266.00	326.28
Exceptional Items	-	-	-
Depreciation/ Amortization	334.75	334.75	334.75
Interest	11.60	6.04	-
Profit Before Tax	(32.68)	(74.79)	(8.47)
Provision for Tax	-	-	-
Profit After Tax	(32.68)	(74.79)	(8.47)

(₹ in lacs)

Balance Sheet	As at March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Source of Funds			
Paid-up share capital	200.00	200.00	200.00
Reserves and surplus (excluding revaluation reserves)	(3,747.47)	(3,822.26)	(3830.73)
Networth	(3,547.47)	(3,622.26)	(3,630.73)
Non Current Liabilities	1,361.56	1,061.56	1,061.56
Current Liabilities	18,617.26	18,634.31	18,624.98
Total	16,431.35	16,073.60	16,055.80
Uses of Funds			
Net fixed assets (including Capital Work in Progress)	1,004.24	669.50	334.75
Non Current Investments	11,883.24	11,883.24	11,883.24
Other non current assets	0.10	0.10	0.10
Current Assets	3,543.76	3,520.76	3,837.71
Total	16,431.35	16,073.60	16,055.80

(in ₹ except percentage)

Other Financial Data	For the year ended March 31,		
	2013	2014	2015
Dividend (%)	Nil	Nil	Nil
Basic Earning Per Share (“EPS”) (Rs)	(16.34)	(37.40)	(4.23)
Diluted EPS (Rs)	(16.34)	(37.40)	(4.23)

(Source: Annual Report for the financial year ended March 31, 2013, March 31, 2014 and March 31, 2015.)

4.8.11 As on March 31, 2015, except as mentioned below, BIL does not have any contingent liabilities:

(₹ in lacs)

Contingent Liabilities (not provided for) in respect of:	As of March 31, 2015
Guarantees to banks/others against credit facilities availed by Group Companies	3,794.00
Grand Total:	3,794.00

4.8.12 The equity shares of BIL are not listed on any stock exchange in India or overseas.

4.8.13 Please refer to paragraph 4.10 of this Draft Letter of Offer in connection with details of relationship of BIL with the Acquirer.

4.9 Amritanshu Khaitan (“PAC 8”)

4.9.1 Mr. Amritanshu Khaitan is an Indian resident, residing at 10, Queen’s park, Kolkata – 700 009. As on date, he is also a director on the board of the Target Company, Ichamati Investments Limited, United Machine Co. Limited, Queens Park Property Co. Limited, Kilburn Engineering Limited, Prana Lifestyle Private Limited, Eveready Industries India Limited, Indian Chamber of Commerce Calcutta, Williamson Financial Services Limited and Williamson Magor & Co. Limited.

4.9.2 As on the date of this Draft Letter of Offer, he holds 8,000 Equity Shares representing 0.02% of the paid up capital of the Target Company. Mr. Amritanshu Khaitan is also a director on the board of the Target Company.

4.9.3 Mr. Amritanshu Khaitan is part of the Existing Promoters of the Target Company as on the date of this Draft Letter of Offer.

4.9.4 Experience in marketing of batteries and allied products besides expertise in tea and engineering industries and investment companies.

4.9.5 The networth of Mr. Amritanshu Khaitan as at March 31, 2015 is ₹ 8,13,71,879 as certified vide certificate dated May 7, 2015 by CA P. K. Jain, Partner (Membership No.: 52018) of Jain & Co., Chartered Accountants

4.9.6 Mr. Amritanshu Khaitan has complied with disclosure requirements under Chapter V of the SEBI (SAST) Regulations, 2011 without any delay.

4.9.7 The positions held by Mr. Amritanshu Khaitan on the board of directors of listed companies as on the date of this Draft Letter of Offer, are as follows:

Sr. No.	Name of Company	Position
1.	McNally Bharat Engineering Limited	Director
2.	Kilburn Engineering Limited	Director
3.	Eveready Industries India Limited	Director
4.	Williamson Financial Services Limited	Director
5.	Williamson Magor & Co. Limited	Director

4.9.8 The companies on whose board of directors Mr. Amritanshu Khaitan is a whole time director, as on the date of filing this Draft Letter of Offer, are as below:

Sr. No.	Name of Company
1.	Ichamati Investments Limited
2.	United Machine Co. Limited
3.	Queens Park Property Company Limited
4.	Prana Lifestyle Private Limited

4.9.9 Other than 8,000 Equity Shares acquired by Mr. Amritanshu Khaitan, there has been no earlier acquisition of Equity Shares by Mr. Amritanshu Khaitan in the Target Company.

4.10 PAC 2, PAC 3, PAC 4, PAC 5, PAC 6, PAC 7 and PAC 8 have entered into an Investment Agreement with the Acquirer and the Target Company, as detailed in Part II (Background to the Offer). Other than the relationship established by the Investment Agreement, PAC 2, PAC 3, PAC 4, PAC 5, PAC 6, PAC 7, PAC 8 have no other relationship with the Acquirer.

4.11 PAC 2, PAC 3, PAC 4, PAC 5, PAC 6, PAC 7 and PAC 8 are part of the Williamson Magor Group to which the Target Company belongs. These PACs may have historically entered into transactions with each other which have been disclosed in their respective financial statements.

4.12 As on the date hereof, the PACs have not acquired any Equity Shares in the Target Company post June 30, 2015, being the date of the Public Announcement.

5. BACKGROUND OF THE TARGET COMPANY

5.1 McNally Bharat Engineering Company Limited (the “**Target Company**”), a public limited company, was incorporated on July 10, 1961 under the Companies Act, 1956. There has been no change in the name of the Target Company in last three years from the date of this Draft Letter of Offer. The registered office of the Target Company is located at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001, West Bengal: Telephone: +91 33 2213 8901 / 6628 1111 and Facsimile: +91 33 2230 3519 / 6628 2277. The CIN of the Target Company is L45202WB1961PLC025181.

5.2 The Target Company is in the business of providing turnkey solutions in the areas of power, steel, aluminium, material handling, mineral beneficiation, pyro-processing, pneumatic handling of powdered materials including fly ash handling and high concentrate disposal, coal washing, port cranes, cement, oil & gas, civic and industrial water supply, amongst other things.

5.3 As of date of this Draft Letter of Offer, the total issued, subscribed and paid up equity share capital of the Target Company is ₹ 40,59,38,180 comprising 4,05,93,818 Equity Shares. As of the date of this Draft Letter of Offer, there are no partly paid-up Equity Shares of the Target Company. The Target Company has issued 30,00,000 warrants to WMCL at ₹ 100 per warrant convertible into one Equity Share per warrant. WMCL vide letter dated June 30, 2015 has undertaken not to convert its outstanding warrants into Equity Shares of the Target Company until the expiry of 15 Working Days from the Closure of the Tendering Period. The capital structure of the Target Company as of the date of this Draft Letter of Offer is:

Equity Share Capital	No. of equity shares/ voting rights	Percentage of equity shares/ voting rights
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Fully paid-up Equity Shares	4,05,93,818	100.00
Partly paid-up Equity Shares	Nil	Nil
Total paid-up Equity Shares	4,05,93,818	100.00
Total Voting Rights in the Target Company	4,05,93,818	100.00

(Source: BSE Website)

- 5.4 The Equity Shares of the Target Company are listed on NSE (symbol: MBECL) and BSE (scrip code: 532629); ISIN: INE748A01016. (Source: BSE and NSE websites) The Equity Shares of the Target Company are frequently traded on the Stock Exchanges within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations for the period commencing on June 1, 2014 to May 31, 2015.
- 5.5 As on the date of this Draft Letter of Offer, there are no outstanding convertible instruments, fully or partially convertible debentures, depository receipts or instruments, issued by the Target Company, convertible into Shares of the Target Company, except 30,00,000 warrants issued by the Target Company to WMCL at ₹ 100 per warrant convertible into one Equity Share per warrant.
- 5.6 The Target Company has confirmed that all the Equity Shares of the Target Company are traded on the Stock Exchanges. Trading of the Equity Shares is not currently suspended on the Stock Exchanges. (Source: BSE and NSE websites)
- 5.7 As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company are as follows:

Sr. No.	Name of Director	Designation	Date of Appointment
1.	Mr. Prasanta Kumar Chandra	Executive Whole-Time Director and COO	February 14, 2011
2.	Mr. Prabir Kumar Ghosh	Executive Whole-Time Director & Group CFO	June 27, 2011
3.	Mr. Virendra Kumar Verma	Independent Non-Executive Director	October 20, 1987
4.	Mr. Amirtanshu Khaitan	Promoter and Non-Executive Director	October 31, 2006
5.	Mr. Puranam Hayagreeva Ravikumar	Independent Non-Executive Director	May 6, 2011
6.	Mr. Aditya Khaitan	Promoter and Non-Executive Chairman	June 27, 2011
7.	Mr. Utsav Parekh	Independent Non-Executive Director	June 25, 1998
8.	Mr. Asim Kumar Barman	Independent Non-Executive Director	December 1, 2009
9.	Mr. Subir Ranjan Dasgupta	Non-Executive Director	June 21, 2007
10.	Miss Nandini Khaitan	Independent Non-Executive Director	March 30, 2015

None of the Directors on the Board of Directors of the Target Company as on the date of the Draft Letter of Offer are nominees of the Acquirer and the PACs.

- 5.8 There has been no merger / demerger / spin off taken place in the Target Company during the last three years.
- 5.9 Brief financial details of the Target Company, as extracted from its audited consolidated financial statements as at and for year ended March 31, 2015, March 31, 2014 and March 31, 2013 are as follows:

(₹ in lacs)

Statement of Profit and Loss	For the year ended March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Income from Operation	268,206.78	263,190.91	242,973.43
Other Income	2,073.16	7,158.13	10,107.05
Total Income	270,279.94	270,349.04	253,080.48
Total Expenditure	253,802.64	247,114.70	236,818.30
Profit Before Depreciation Interest and Tax and Exceptional Items	16,477.30	23,234.34	16,262.18
Exceptional Items	-	6,968.77	(6,100.00)
Depreciation/ Amortization	3,055.50	4,013.32	4,620.93
Interest	13,683.30	19,644.05	25,493.42
Profit Before Tax	(261.50)	(7,391.80)	(7,752.17)
Provision for Tax	1,927.57	119.87	366.51
Profit After Tax	(2,185.92)	(7,540.92)	(7,427.83)

(₹ in lacs)

Balance Sheet	As at March 31,		
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
Source of Funds			
Paid-up share capital	3,934.38	4,084.38	5,034.38
Money received against Share warrants	-	-	750.00
Reserves and surplus (excluding revaluation reserves)	35,013.60	27,631.60	30,232.30
Networth	38,947.98	31,715.98	36,016.68
Minority Interest	4,861.31	4,890.56	4,176.81
Non Current Liabilities	35,659.14	25,258.03	16,379.72
Current Liabilities	244,934.41	307,147.96	360,149.72
Total	324,402.84	369,012.53	416,722.93
Uses of Funds			
Net fixed assets (including Capital Work in Progress)	40,677.40	41,271.16	32,310.65
Non Current Investments	9,419.90	4.59	2,676.01
Other non current assets	5,214.92	4,203.94	7,317.97
Current Assets	269,090.62	323,532.84	374,418.30
Total	324,402.84	369,012.53	416,722.93

(in ₹ except percentage)

Other Financial Data	For the year ended March 31,		
	2013	2014	2015
Dividend (%)	10%	-	-
Basic Earning Per Share ("EPS") (Rs)	(7.05)	(24.66)	(23.83)
Diluted EPS (Rs)	(7.05)	(24.66)	(23.80)

(Source: Annual Report for the financial year ended March 31, 2013, March 31, 2014 and March 31, 2015.)

5.10 The shareholding pattern of the Target Company on March 31, 2015 and after this Offer is as follows:

Shareholder Category	Shareholding & voting rights prior to the agreement/ acquisition and this Offer		Equity Shares/ voting rights agreed to be acquired which has triggered the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in this Offer (Assuming full acceptance)		Shareholders voting rights after the acquisition and this Offer (Assuming full acceptance)	
	(A)		(B)		(C)		(D)=(A)+(B)+(C)	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
(1) Promoter/ promoter group								
a. Parties to agreement, if any	1,20,45,743	29.67%	-	-	65,77,196	50.0%	1,86,22,939	36.81%
b. Promoters other than (a) above	24,021	0.06%	-	-	-	-	24,021	0.05%
Total 1 (a+b)	1,20,69,764	29.73%	-	-	65,77,196	50.0%	1,86,46,960	36.86%
(2) Acquirers								
a. Main Acquirer			1,00,00,000	100%	65,77,197	50.0%	1,65,77,197	32.77%
b. PAC 1	50,00,000	12.32%	-	-	-	-	50,00,000	9.88%
c. Other PACs								
Total 2 (a+b+c)	50,00,000	12.32%	1,00,00,000	100%	65,77,197	50.0%	2,15,77,197	42.65%
(3) Parties to agreement other than (1) (a) & (2)	-	-	-	-	-	-		
(4) Public (other than parties to agreement, Acquirer)			-	-	-	-		
a. Mutual Funds / Financial Institutions/ Banks	35,92,001	8.85%	-	-	-	-		
b. Others	1,99,32,053	49.10%	-	-	-	-		
- Bodies Corporate	61,06,174	15.04%	-	-	-	-		
- Individuals	130,96,617	32.26%	-	-	-	-		
- Clearing members	53,032	0.13%	-	-	-	-		
- Non Resident Indians	6,76,230	1.67%	-	-	-	-		

Total (4) (a+b)	2,35,24,054	57.95%	-	-	-	-	1,03,69,662	20.50%
Grand Total (1+2+3+4)	4,05,93,818	100.00%	1,00,00,000	100%	1,31,54,393	100.00%	5,05,93,819	100.00%

On full acceptance to the Offer by the Public Shareholders of the Target Company, the Promoter and Promoter group holding in the Target Company shall exceed the maximum permissible non-public shareholding. The Acquirer along with PACs shall bring down the non-public shareholding to the level specified and within the time permitted under SCRR.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

- 6.1.1 The Transaction is a direct acquisition of the Equity Shares of the Target Company by the Acquirer pursuant to the Investment Agreement.
- 6.1.2 The Equity Shares of the Target Company are listed on NSE (symbol: MBECL) and BSE (scrip code: 532629); ISIN: INE748A01016. The Equity Shares of the Target Company are available for trading on the Stock Exchanges.
- 6.1.3 The Equity Shares of the Target Company are frequently traded on the Stock Exchanges, during the 12 months preceding the month in which the Public Announcement was made, within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 6.1.4 The annualized trading turnover based on the trading volume in the Equity Shares of the Target Company on the Stock Exchanges during the 12 calendar months (i.e. June 1, 2014 to May 31, 2015) preceding the month in which the PA is issued is as given below:

Stock Exchange	Number of Equity Shares traded (A)	Weighted average number of shares (B)	(A) as a % of (B)
BSE	1,18,61,897	3,32,99,297	35.62
NSE	2,82,73,822	3,32,99,297	84.91

(Source: www.bseindia.com, www.nseindia.com)

- 6.1.5 Based on the parameters set out under Regulation 8(2) of the SEBI (SAST) Regulations, the Offer Price of ₹ 100 per Offer Share is justified by the following:

Sr. No.	Particulars	Price (In ₹ per Equity Share)
1.	The highest negotiated price under the Investment Agreement	100.00
2.	The volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any PAC during 52 weeks immediately preceding the date of the PA.	100.00
3.	The highest price paid or payable for any acquisition, whether by the Acquirer or by any PAC during the 26 weeks immediately preceding the date of the PA.	100.00
4.	The volume-weighted average market price of the Equity Shares of the Target Company for a period of sixty trading days immediately preceding the date of the PA as traded on the NSE (as the maximum volume of trading in the Equity Shares of the Target Company is recorded on the NSE during such period).	80.43
5.	Where the shares are not frequently traded, the price determined by the Acquirer and the Manager to the Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	Not Applicable

So far, there are no corporate actions of the Target Company requiring the relevant price parameters to be adjusted. In the event any such corporate actions are undertaken by the Target Company, then suitable adjustments shall be made to the Offer Price in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.

- 6.1.6 In view of the parameters considered and presented above, in the opinion of the Acquirer and the Manager to the Offer, the Offer Price of ₹ 100 (Rupees One Hundred Only) being the highest of the prices mentioned above, is justified in terms of Regulations 8(2) of the SEBI (SAST) Regulations.
- 6.1.7 In the event of further acquisition of Equity Shares of the Target Company by the Acquirer and/ or the PACs during the offer period, whether by way of subscription or purchase, at a price higher than the Offer Price, the Offer Price will be revised upwards to be 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 Acquirer and the PACs shall 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.

- 6.1.8 If there is any revision in the Offer Price on account of future purchases/competing offers, it will be done only up to the period prior to three (3) Working Days before the date of commencement of the tendering period of the Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer along with the PAC 3 shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph 6.2.6 of this Draft Letter of Offer; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
- 6.1.9 If the Acquirer and/ or any of the PACs acquires Equity Shares of the Target Company during the period of 26 weeks after the Closure of Tendering Period at a price higher than the Offer Price, then the Acquirer and the PAC 3 shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose Offer Shares have been accepted in this Offer within sixty 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 of the Target Company whether by way of bulk deals, block deals or in any other form.

6.2 Financial arrangements:

- 6.2.1 The total funds required for implementation of this Offer, assuming full acceptance, is ₹ 131,54,39,300 (Rupees One Hundred Thirty One Crore Fifty Four Lacs Thirty Nine Thousand Three Hundred only) (“**Offer Consideration**”)
- 6.2.2 The Acquirer and the PAC 3 have made firm financial arrangement for financing the acquisition of the Offer Shares under the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The Acquirer and the PAC 3 propose to fund the Offer out of their internal accruals, fixed deposits and borrowed funds.
- 6.2.3 In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer and the PAC 3 have opened an escrow account in the name and style as “MBEL - OPEN OFFER ESCROW ACCOUNT” bearing Account No. 915020029379562 (“**Escrow Account**”) with Axis Bank Limited (“**Escrow Bank**”), at its Kolkata Main Branch located at 7, Shakespeare Sarani, Kolkata 700 071 (hereinafter referred to as “**Escrow Agent**”) and made a cash deposit of ₹ 34,00,00,000 (Rupees Thirty Four Crore Only) in the Escrow Account in accordance with the Regulation 17(3)(a) of the SEBI (SAST) Regulations, which is 25.85% of the Offer Consideration. The cash deposit has been confirmed vide a confirmation letter dated July 2, 2015 issued by Escrow Agent.
- 6.2.4 The Manager to the Offer has been solely authorized by the Acquirer and the PAC 3 to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5 The funds in the Escrow Account will be used solely towards fulfilling the obligations of the Acquirer and the PAC 3 for the Offer and shall be released only upon instructions received from the Manager to the Offer.
- 6.2.6 In case of any upward revision in the Offer Price or the Offer Size, the value 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 in the Escrow Account by the Acquirer and the PAC 3 prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
- 6.2.7 Further, IL&FS Financial Services Limited, vide its letter dated July 3, 2015 has sanctioned ₹ 26,00,00,000 (Rupees Twenty Six Crore Only) to PAC 3 to meet the Open Offer Obligations and the said amount will be disbursed immediately on receipt of request from the Manager to the Offer
- 6.2.8 M/s. T N Singh & Company, Chartered Accountants, Firm Registration No. 328692E, having its office at 63, Aurobindo Road, Salkia Plaza Market, 1st Floor, Room 26, Salkia, Howrah -711 106, India, Telephone: +91 33 2675 8053, (Membership No: 304172) (the “**Accountant**”) has confirmed vide its certificate dated June 30, 2015 that the Acquirer have adequate financial resources available through verifiable means for meeting their obligations under the SEBI (SAST) Regulations, for a value up to the Offer Consideration. Accountant has verified fixed deposits receipts and unutilised credit lines which can be utilised for meeting the Offer obligation.
- 6.2.9 On the basis of the aforesaid financial arrangements and the Accountant’s certificate, the Manager to the Offer is satisfied about the ability of the Acquirer and the PAC 3 to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfil the obligations.

7. TERMS AND CONDITIONS OF THE OFFER

- 7.1 This Offer is being made by the Acquirer and the PACs to (i) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on August 5, 2015, 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 August 5, 2015, 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. September 2, 2015, but who are not the registered Public Shareholders.
- 7.2 This Offer is being made by the Acquirer and the PACs to all the Public Shareholders, to acquire up to 1,31,54,393 (One crore thirty one lacs fifty four thousand three hundred and ninety three) Offer Shares, representing 26% (Twenty six percent) of the Emerging Voting Share Capital, subject to the terms and conditions mentioned in the Public Announcement, Detailed Public Statement and this Draft Letter of Offer.
- 7.3 The Emerging Voting Share Capital has been computed as follows :

Sr. No.	Particulars	Equity Shares
A.	Fully paid up shares outstanding as on the date of the Public Announcement	4,05,93,818
B.	Partly paid up shares outstanding as on the date of the Public Announcement	Nil
C.	Subscription Shares	1,00,00,000
D.	Emerging Voting Share Capital (A+B+C)	5,05,93,818

Note: The Emerging Voting Capital does not take into account 30,00,000 warrants issued to PAC 3 since they have given an undertaking that they will not convert the said warrants into Equity Shares until expiry of 15 Working days from the date of the Closure of the Tendering Period.

Accordingly, the Emerging Voting Share Capital is ₹ 50,59,38,180 consisting of 5,05,93,818 Equity Shares.

- 7.4 The Emerging Voting Share Capital has been computed after inclusion of the allotment of the maximum number of Subscription Shares. The Emerging Voting Capital does not take into account 30,00,000 warrants issued to PAC 3 since they have given an undertaking that they will not convert the said warrants into Equity Shares until expiry of 15 Working days from the date of the Closure of the Tendering Period.
- 7.5 Every Public Shareholder, regardless of whether such person held Equity Shares on the Identified Date, or has not received this Draft Letter of Offer, is entitled to participate in the Offer.
- 7.6 The Acquirer and the PAC 3 shall accept the Offer Shares tendered pursuant to the Offer subject to the receipt of Statutory and Other Approvals as mentioned in 7.18.
- 7.6.1 Applications in respect of Equity Shares that are the subject matter of litigation or any proceedings before statutory authorities, wherein the Public Shareholders may be prohibited from transferring the Equity Shares during the pendency of the said litigation, are liable to be rejected if directions or orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer. The applications in some of these cases may be forwarded (as per the discretion of the Acquirer and/ or the PACs) to the concerned statutory authorities for further action by such authorities. Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.
- 7.6.2 The Acquirer and the PAC 3 will only acquire Offer Shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 7.7 Other than 50,00,000 Equity Shares allotted to PAC 1, 25,00,000 Equity Shares to Ms. Rekha Rakesh Jhunjhunwala, 20,00,000 Equity Shares to PAC 3, to the best of the knowledge of the Acquirer and the PACs, the Target Company has no Equity Shares that are currently locked-in. (Source: BSE and NSE website)
- 7.8 There shall be no discrimination in the acceptance of locked-in and non locked-in Offer Shares in the Offer.
- 7.9 The Offer is not conditional and is not subject to any minimum level of acceptance in terms of regulation 19(1) of the SEBI (SAST) Regulations. The acceptance of the Offer must be unconditional and should be entirely at the discretion of the Public Shareholders. Each Public Shareholder, to whom the Offer is being made, is free to offer his Equity Shares, in whole or in part, while accepting the Offer.

- 7.10 The acceptance of the Offer must be unconditional, should be absolute and unqualified, and should be on the enclosed Form of Acceptance-cum-Acknowledgement and sent along with the other documents duly filled in and signed by the applicant Public Shareholder(s) which should be received by the Registrar to the Offer at the collection centres mentioned in paragraph 8.4 below on or before 4:30 pm on Wednesday, September 2, 2015, 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 Public Shareholder(s), the Manager to the Offer and the Acquirer reserve the right to reject the acceptance of this Offer by such Public Shareholder.
- 7.11 The Tendering Period will commence on Thursday, August 20, 2015 and end on Wednesday, September 2, 2015.
- 7.12 Public Shareholders who have accepted the Offer by tendering their Equity Shares and requisite documents in terms of the Public Announcement, the Detailed Public Statement and this Draft Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period.
- 7.13 If the Equity Shares tendered in the Offer are more than the Offer Size, the acquisition of Offer Shares from each Public Shareholder will be on a proportionate basis as detailed in paragraph 8.9.10 of this Draft Letter of Offer.
- 7.14 The Acquirer and the PAC 3 will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Public Shareholders are advised to adequately safeguard their interests in this regard.
- 7.15 Accidental omission to dispatch the Draft Letter of Offer to any person to whom the Offer has been made or non-receipt of the Draft Letter of Offer by any such person shall not invalidate the Offer in any way.
- 7.16 There has been no revision in the Offer Price or the Offer Size as of the date of this Draft Letter of Offer. In the event of acquisition of Equity Shares by the Acquirer during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be 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 Acquirer and the PAC 3 shall not acquire any Equity Shares after the 3rd Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 7.17 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms and conditions of this Offer.
- 7.18 Statutory and other Approvals**
- 7.18.1 As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer and/or PACs, other than as disclosed below, there are no statutory or other approvals required or conditions to be satisfied in order to implement this Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer and/or PACs shall make the necessary applications for such approval.
- 7.18.2 Unless waived in writing by the Acquirer and the PACs (other than PAC 1), the acquisition of Equity Shares pursuant to the Investment Agreement and Offer Shares are also subject to the satisfaction of the conditions precedent as set forth in Article 3 of the Investment Agreement. Some of the key condition precedents are given below:
- 7.18.2.1 Approval from the Competition Commission of India under the Competition Act, 2002 to consummate the Transaction contemplated under Investment Agreement.
- 7.18.2.2 Approval from the lenders (secured and unsecured) for allotment of Subscription Shares to Acquirer under preferential issue.
- 7.18.2.3 In-principle approval from the relevant stock exchanges for allotment, listing and trading of the shares as mentioned in the Investment Agreement.
- 7.18.2.4 Approval of the Target Company's shareholders in the general meeting for allotment of shares to the Acquirer under preferential issue and amendments to the charter documents.
- 7.18.2.5 Receipt of final approval from SEBI with respect to the Draft Letter of Offer filed by the Acquirer and PACs under the Open Offer without any material obligation or change with respect to the Draft Letter of Offer filed by the Acquirer and PACs.

- 7.18.3 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, 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, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or PACs reserve the right to reject such Equity Shares tendered in this Offer.
- 7.18.4 In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and/or PACs to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Public Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- 7.18.5 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if any of the conditions precedent and other conditions as stated in the Investment Agreement or approvals mentioned in this paragraph (all of which are outside the reasonable control of the Acquirer and/or PACs) are not satisfied, or if any of the statutory approvals are refused, the Acquirer will have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, Stock Exchanges and the registered office of the Target Company.
- 7.18.6 Subject to the receipt of statutory and other approvals and to the satisfaction of the conditions precedent set forth in the Investment Agreement and enumerated above, the Acquirer and PACs shall complete all procedures relating to this Offer within 10 (Ten) Working Days from the date of Closure of the Tendering Period to those shareholders whose share certificates and/ or other documents are found valid and in order and are accepted for acquisition by the Acquirer and PACs.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1 The Draft Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Public 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 Wednesday, August 5, 2015, i.e. the Identified Date.
- 8.2 Every Public Shareholder, regardless of whether she/he held Equity Shares on the Identified Date, or has not received the Draft Letter of Offer, is entitled to participate in the Offer.
- 8.3 The Public Shareholders can also download the Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the SEBI website at www.sebi.gov.in.
- 8.4 The Public 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 centres mentioned below so as to reach the Registrar to the Offer during business hours on all Working Days during the Tendering Period or before 4:30 pm on Wednesday, September 2, 2015, i.e., Closure of the Tendering Period, in accordance with the procedure as set out in the Draft Letter of Offer:

Sr No.	Collection Centre	Address of Collection Centre	Contact Person	Telephone No, Fax No, Email	Mode of Delivery
1.	New Delhi	Karvy Computershare Private Limited 305, New Delhi House, 27, Barakhamba Road, Connaught Place New Delhi-110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi/ John Mathew	Telephone No.: +91 11 4368 1700 Fax No.: +91 11 41036370 Email: rakesh.jamwal@karvy.com; john.mathew@karvy.com; vinod.negi@karvy.com	Hand Delivery
2.	Mumbai	Karvy Computershare Private Limited 24-B, Rajabahudur Mansion, Ground Floor, 6, Ambalal Doshi Marg, Behind BSE Ltd, Fort, Mumbai - 400 001	Mr. Nutan Shirke	Telephone No.: +91 22 66235454/ 66235412 Fax No.: +91 22 6633 1135 Email: ircfort@karvy.com; nutan.shirke@karvy.com	Hand Delivery
3.	Kolkata	Karvy Computershare Private Limited	Mr. Sujit Kundu/Mr. Debnath	Telephone No.: +91 33 66192841/42 Fax No.: +91 33 2464 4866	Hand Delivery

		49, Jatin Das Road, Near Deshpriya Park, Kolkata - 700 029		Email: sujit.kundu@karvy.com; nilkanta.debnath@karvy.com	
4.	Hyderabad	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032	Mr. Bhakta Singh/ Mr. Shyam	Telephone No.: +91 40 3321 2222/ 6716 1500 Fax No.: 040- 23431551 Email: ircmadhapur@karvy.com; bhaktasingh.k@karvy.com	Registered Post / Courier
5.	Chennai	Karvy Computershare Private Limited No. F11 First Floor, Akshya Plaza, New no. 108, Adhithanar Salai, Egmore, Chennai - 600 002	Mr. G Karthikeyan/ Ramakrishna	Telephone No.: +91 44 2858 7781/ 4202 8513 Fax No.: Not Available Email: chennaiirc@karvy.com	Hand Delivery

Note: All of the centres of the Registrar to the Offer mentioned above will be open from Monday to Friday - 10:00 am to 4:30 pm and Saturday - 10:00 am to 1:00 pm during the Tendering Period. The centres will be closed on Sundays and public holidays.

- 8.5 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 PACs or the Target Company.
- 8.6 Applicants who cannot hand deliver their documents at any of the collection centres 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: Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; Tel: +91 40 6716 2222; Fax: +91 40 2343 1551, E-mail: einward.ris@karvy.com; Investor Grievance Email: emc-mkn.openoffer@karvy.com; Contact Person: Mr. M. Muralikrishna, so as to reach the Registrar to the Offer on or before September 2, 2015, i.e. Closure of Tendering Period.
- 8.7 Public Shareholders who are holding Equity Shares in physical form:**
- 8.7.1 The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in the 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 Public Shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the registrar and share transfer agent of the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer. Original share certificate(s) and valid transfer deed(s), duly completed and signed in accordance with the instructions specified in the Draft 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.
- 8.7.2 Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Public Shareholder(s) in the same order and as per specimen signatures lodged with the registrar and share transfer agent of 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 the seal of his 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 registrar and share transfer agent of the Target Company or are not in the same order, such Equity Shares are liable to be rejected in the Offer. In case the Share Certificate(s) and valid share transfer deeds are lodged with the Target Company /its share transfer agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) the copy of share transfer deed(s) and (ii) the acknowledgement of the lodgement with, or receipt issued by the Target Company/its share transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted attorney, a certified copy of the power of attorney shall also be lodged. In the case of a body corporate/limited company, a certified copy of the memorandum and articles of association, together with a certified true copy of the resolution along with the specimen signatures of the authorized signatories duly certified, shall also be sent.
- 8.7.3 For Equity Shares held in physical form by resident Public Shareholders, the Acquirer and the PAC 3 may, in their sole discretion, deem the Equity Shares to have been accepted under the Offer 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 transfer deeds and PAN), prior to the Closure of the Tendering Period.
- 8.7.4 Persons who: (a) have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date; or (b) are unregistered owners of Equity Shares; or (c) have acquired the Equity Shares

after the Identified Date; or (d) have not received the Draft Letter of Offer, may send their application in writing to the Registrar to the Offer, on plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio numbers along with the documents to prove their title to such Equity Shares such as broker note, succession certificate, original share certificate/original letter of allotment and transfer deeds (one per folio), duly signed by such Public Shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with Target Company), and witnessed (if possible) by a notary public or a bank manager or the member of a recognized stock exchange with membership number, as the case may be so as to reach the Registrar to the Offer on or before the closing of the business hours on the date of Closure of the Tendering Period (i.e. September 2, 2015). Alternatively, such Public Shareholders, if they so desire, may apply on the Form of Acceptance-cum-Acknowledgement together with the information requested above. Such Public Shareholders can obtain the Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the Registrar to the Offer by making an application in writing to that effect or from the SEBI website: www.sebi.gov.in.

8.7.5 Unregistered Public Shareholders should enclose:

- a) A Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein;
- b) Original share certificate(s);
- c) Original broker contract note; and
- d) Valid transfer deed(s) as received from market. The details of the transferee should be left blank, failing which the tender will be invalid under the Offer. Unregistered Public Shareholders should not sign the transfer deed.

8.7.6 The details of the transferee will be filled upon verification of the Form of Acceptance-cum-Acknowledgement and other documents and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.

8.8 Public Shareholders who are holding Equity Shares in dematerialized form:

8.8.1 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 favour of the Escrow Demat 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 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. In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Escrow Demat Account by the Registrar to the Offer, the Acquirers and/ or PACs may, in their sole discretion, deem the Equity Shares to have been accepted under the Offer.

8.8.2 The Registrar to the Offer has opened a special depository account with National Securities Depository Limited ("NSDL") called "KCPL - MBEL OPEN OFFER ESCROW ACCOUNT" ("**Escrow Demat Account**"). The Public Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Escrow Demat Account as mentioned in paragraph 8.8.3 of this Draft Letter of Offer.

8.8.3 In respect of dematerialized shares shareholders of the Target Company must ensure that the credit for the equity shares tendered is received in the special depository account as specified below on or before 4:30 pm on Wednesday, September 2, 2015. If the shareholders of the Target Company hold their shares through CDSL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction to CDSL for the purpose of crediting their shares in favour of the Escrow Demat Account with NSDL as mentioned below:

Depository Participant Name	Karvy Stock Broking Limited
Account Name	KCPL – MBEL Open Offer Escrow Account
Depository Name	National Securities Depository Limited ("NSDL")
DP Identification Number	IN300394
Client Identification Number	19120300
ISIN	INE748A01016
Market	Off market
Date of Credit	On or before September 02, 2015

8.8.4 It is the sole responsibility of the Public Shareholders to ensure credit of their Equity Shares in the Escrow Demat Account, on or before 4:30 pm on September 2, 2015, i.e. Closure of the Tendering Period, except for those Equity Shares for which applications have been received on September 2, 2015, i.e. the date of Closure of the Tendering Period.

- 8.8.5 The Form of Acceptance-cum-Acknowledgement in respect of dematerialized shares not credited to the Escrow Demat Account before the Closure of the Tendering Period is liable to be rejected.
- 8.8.6 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.
- 8.8.7 Persons who, (i) have acquired the Equity Shares after the Identified Date; or (ii) have not received the Draft Letter of Offer, may participate in the Offer by submitting an application on plain paper giving details regarding their name, address, number of Equity Shares held, number of Equity Shares tendered, DP name, DP ID, account number together with photocopy or counterfoil of the delivery instruction slip in “off-market” mode duly acknowledged by the DP for transferring the Equity Shares in favour of “KCPL – MBEL Open Offer Escrow Account” as per the details given in the table in paragraph 8.8.2 of the Draft Letter of Offer so as to reach the Registrar to the Offer on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e., September 2, 2015. Alternatively, such Public Shareholders, if they so desire, may apply on the Form of Acceptance-cum-Acknowledgement together with the information requested above. Such Public Shareholders can obtain the Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the Registrar to the Offer by making an application in writing to that effect or from the SEBI website: www.sebi.gov.in

8.8.8 THE SHARES, SHARE CERTIFICATES, TRANSFER DEEDS, FORM OF ACCEPTANCE-CUMACKNOWLEDGEMENT AND/OR OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER, THE PACS, THE TARGET COMPANY OR THE MANAGER TO THE OFFER.

8.9 Public Shareholders who have sent their Equity Shares for dematerialization:

- 8.9.1 The Public 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 Public Shareholder's DP, in accordance with the instructions mentioned in paragraph 8.8.3 above. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint shareholder(s) whose name appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- 8.9.2 Such Public Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Escrow Demat Account, to be received on or before 4:30 pm on Wednesday, September 2, 2015, 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 Public Shareholder's DP, the Public Shareholder can withdraw its dematerialization request and tender the Share certificate(s) in this Offer as per the procedure mentioned in paragraph 8.7 above.
- 8.9.3 Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability 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 Public Shareholder) if the original Public Shareholder has expired;
 - Duly attested power of attorney if any person apart from the Public 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.
- 8.9.4 Unregistered Public 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 4:30 pm on Wednesday, September 2, 2015, i.e. Closure of the Tendering Period. Valid share transfer deed(s), 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 Public 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 Public 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 lodgement with, or receipt by, the Target Company/its transfer agents, of the equity share certificate(s) and the transfer deed(s). The Public Shareholders should ensure that the equity share certificate(s) and above documents reach the designated collection centre on or before 4:30 pm on September 2, 2015, i.e. Closure of the Tendering Period.

- 8.9.5 In case of non-receipt of the Draft 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 4:30 pm on Wednesday, September 2, 2015, 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 favour of the Escrow Demat Account, so as to reach the Registrar to the Offer, on or before 4:30 pm on Wednesday, September 2, 2015, 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 Public 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. Public Shareholders who have sent their Equity Shares for dematerialization/rematerialization need to ensure that the process of getting Equity Shares dematerialized/rematerialized is completed well in time so that the credit in the Escrow Demat Account is received or physical equity share certificates are received by the Registrar to the Offer on or before 4:30 pm on Wednesday, September 2, 2015, i.e. Closure of the Tendering Period, else their application would be rejected.
- 8.9.6 If the Public Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) 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, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholders should state that the Equity Shares are held under general permission and whether on repatriable or non repatriable basis. In the event such approvals are not submitted, the Acquirer and the PAC 3 reserve the right to reject such Equity Shares tendered in this Offer.
- 8.9.7 In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and/ or PACs to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Public Shareholders as directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Provided where the statutory approvals extend to some but not all the Public Shareholders, the Acquirer and/ or PACs will have the option to pay consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 8.9.8 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Form of Acceptance-cum-Acknowledgment in respect of the Equity Shares that are the subject of litigation, wherein the Public 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. The Draft Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- 8.9.9 The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Escrow Demat Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Public Shareholders whose Equity Shares have been validly 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.
- 8.9.10 If the aggregate valid responses to this Offer by the Public Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking due 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 Public 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. (Source: NSE and BSE website)
- 8.9.11 Unaccepted equity share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Public Shareholders'/unregistered Public Shareholders' sole risk to the sole/first Public 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 Public Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Public 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 demat account is maintained till the completion of the formalities relating to this Offer.

8.9.12 Payment to those Public Shareholders whose Equity Shares and other documents are found valid and in order and are approved by the Acquirer and the PAC 3, will be by way of a bankers' cheque/ demand draft/ direct credit/ NECS/ NEFT/ RTGS so as to avoid fraudulent encashment in transit. In case of the Public Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). For Equity Shares that are tendered in dematerialised form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars and not from any details provided in the Form of Acceptance-cum-Acknowledgement. The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares; and/or (ii) the equity share certificates for any rejected Equity Shares, will be dispatched to the Public Shareholders by registered / speed post or by ordinary post as the case may be*, at the Public Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

**Dispatches involving payment of a value in excess of ₹ 1,500 (Rupees one thousand five hundred) will be made by registered / speed post at the Public Shareholder's sole risk. All other dispatches will be made by ordinary post at the Public Shareholder's sole risk.*

8.9.13 For Public Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through NECS / NEFT / RTGS due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered/speed post at the Public Shareholder's sole risk.

8.9.14 All bankers' cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Public Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/demand draft.

8.9.15 Pursuant to Regulation 18(9) of the SEBI (SAST) Regulations, Shareholders who have accepted the Offer by tendering the Equity Shares in terms of the Public Announcement and the Draft Letter of Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

8.10 Compliance with Tax Provisions:

8.10.1 General

- a) As per the provisions of Section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). The consideration received by the non-resident Public Shareholders for Shares accepted in the Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances in respect of such Public Shareholder. The Acquirer and/or PACs are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such capital gains/business profits subject to benefit available to such Public Shareholder under the applicable DTAA. Further, the payment of any interest (paid for delay in payment of Offer Price) by the Acquirer to a non-resident Public Shareholder may be chargeable to tax, as interest income under the Income Tax Act. The Acquirer is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest or at the rate under the applicable DTAA.
- b) The payment of any interest by the Acquirer to a resident Public Shareholder may be chargeable to tax, as interest income under the Income Tax Act. The Acquirer is required to deduct tax at source at the applicable rate under Section 194A of the Income Tax Act on such interest (paid for delay in payment of Offer Price).
- c) All Public Shareholders whether resident or non-resident (including FIIs) are required to submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and/or PACs will arrange to deduct tax on any taxable payment or consideration paid to such Public Shareholder at the rate of 20% (as provided in Section 206AA of the Income Tax Act) or at the rate in force or at the applicable tax rate, as may be applicable to the relevant category of Public Shareholder under the Income Tax Act, whichever is higher.
- d) Each Public Shareholder shall certify its tax residence 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, etc.) by selecting

the appropriate box in the Form of Acceptance-cum-Acknowledgement. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer and/or PACs, it will be assumed that the Public Shareholder is a non-resident Public Shareholder and taxes shall be deducted treating the Public Shareholder as a non-resident and at the maximum marginal rate as may be applicable, under the Income Tax Act, to the relevant category to which the Public Shareholder belongs, on the entire consideration and interest if any, payable to such Public Shareholder.

- e) Any non-resident Public Shareholder claiming a benefit under any DTAA between India and any other foreign country should furnish a valid 'Tax Residence 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, the non-resident Public Shareholder is required in terms of Section 90(5) of the Income Tax Act to furnish prescribed additional information in the prescribed form (Form 10F). The information that is to be provided in Form 10F are as follows:
- (i) Legal status (individual, company, firm, etc.);
 - (ii) Nationality of an individual or country/specified territory of incorporation or registration in case of other entities;
 - (iii) The non-resident tax payer's tax identification number in the country or specified territory of residence or a unique identification number of the non-resident tax payer of the country or the specified territory of residence;
 - (iv) Period for which the residential status, as mentioned in the Tax Residency Certificate, is applicable; and
 - (v) Address of the non-resident tax payer in the country or specified territory outside India, during the period for which the Tax Residency Certificate is applicable.
- 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. The particulars already included in the Tax Residency Certificate are not required to be furnished separately.
- f) The Acquirer and/or PACs will not accept any request from any Public Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower rate, on the basis of any self-computation/computation by any tax consultant, of capital gain and/or interest, if any and tax payable thereon.
- g) Securities transaction tax will not be applicable to the Shares accepted in the Offer.

8.10.2 Tax implications in case of non-resident Public Shareholders (other than FIIs)

- (a) **Remittance of consideration:** All non-resident Public Shareholders, who desire that no tax should be deducted at source or tax should be deducted at a lower rate or on a lesser amount, shall be required to submit certificate from the Indian income tax authorities under Section 195(3) of the Income Tax Act or Section 197 of the Income Tax Act along with the Form of Acceptance-cum-Acknowledgement certifying the amount of tax required to be deducted at source by the Acquirer and/or PACs before remitting the consideration to the Public Shareholders whose Shares have been validly accepted in this Offer. The Acquirer and/or PACs will arrange to deduct taxes at source in accordance with such certificate.
- (b) In case the aforesaid certificate for no deduction or lower deduction of tax is not submitted, the Acquirer and/or PACs will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Public Shareholder belongs, under the Income Tax Act on the entire consideration and interest amount payable to such Public Shareholder.
- (c) The Acquirer and/or PACs will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Public Shareholder for deducting a lower amount of tax at source. NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) holding Shares as capital account will be required to certify the period of its holding (i.e., whether Shares are held for more than 12 (twelve) months) of Shares in the Target Company by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement along with proof such as a dematerialized account statement or broker's note.
- (d) All NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) are required to submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and/or PACs will arrange to deduct tax at the rate of 20% (Twenty per cent) (as provided in Section 206AA of the Income Tax Act) or at the rate in force or at the applicable rate, as may be applicable, to the category of Public Shareholder under the Income Tax Act, whichever is higher, on the entire consideration amount payable to such Public Shareholder that is taxable under the Income Tax Act.
- (e) **Treaty Benefits:** Any NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) claiming benefit under any DTAA between India and any other foreign country should furnish the 'Tax Residence Certificate' provided to him/it by the Income Tax Authority of such other foreign country of which it claims to be a tax resident and a self-declaration

stating that the Public Shareholder is eligible for claiming benefit under the DTAA entered into between India and the country of its tax residence, and that the Public Shareholder does not have a permanent establishment in India in terms of such DTAA. Further, the Public Shareholder will be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in paragraph 8.10.1(e) of this Draft Letter of Offer. In the absence of such Tax Residence Certificate/certificates/declarations/ information/documents, the Acquirer and/or PACs will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA.

8.10.3 Tax implications in case of FII

- a) Tax Benefits for FIIs in respect of the consideration paid by the Acquirer and/or PACs: 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.
- b) An FII should certify the nature of its income arising from the sale of the Shares as per the Income Tax Act (whether capital gains or otherwise) by selecting the appropriate option provided in the Form of Acceptance-cum-Acknowledgement for this purpose. In the absence of an FII certifying to the effect that its income from sale of Shares is in the nature of capital gains, the Acquirer and/or PACs will deduct tax at the maximum rate applicable to the category to which such FII belongs on the entire consideration payable to such FII along with applicable surcharge and education cess.
- c) Notwithstanding anything contained in paragraph b) above, in case an FII furnishes a certificate from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act along with the Form of Acceptance-cum-Acknowledgement for deduction of tax at lower rate, the Acquirer and/or PACs will arrange to deduct taxes at source in accordance with such certificate.
- d) Interest Payments: For interest payments by the Acquirer for delay in payment of Offer Price, if any, FIIs will be required to submit a certificate from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act for deduction of tax at lower rate certifying the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such certificate.
- e) In case the aforesaid certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the FII Public Shareholder belongs under the Income Tax Act on the entire consideration payable as interest to such Public Shareholder.
- f) All FIIs shall submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and/or PACs will arrange to deduct tax at the rate of 20% (as provided in Section 206-AA of the Income Tax Act) or at the rate in force or at the rate, as may be applicable to the category of the FII Public Shareholder under the Income Tax Act, whichever is higher, on the entire consideration amount payable to such Public Shareholder.
- g) Treaty Benefits: Any FII claiming benefit under any DTAA between India and any other foreign country should furnish a "Tax Residence Certificate" provided to it by the income tax authority of such other foreign country of which it claims to be a tax resident and a self-declaration stating that the FII does not have a business connection in India as defined in Section 9(1)(i) of the Income Tax Act or a permanent establishment in India, in terms of the DTAA and the FII is eligible for claiming benefit under the DTAA entered between India and the country of its tax residence. Further, the FII will also be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in paragraph 8.10.1(e) of this Draft Letter of Offer. In the absence of such Tax Residence Certificate/certificates/ declarations/information/documents, the Acquirer and/or PACs will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA.

8.10.4 Tax to be deducted in case of resident Shareholders

- a) Remittance of consideration: In the absence of any specific provision under the Income Tax Act, the Acquirer and/or PACs will not deduct tax on the consideration payable to resident Public Shareholders for the acquisition of Shares. Such resident Public Shareholders will be liable to pay tax on their income as per the provisions of the Income Tax Act as applicable to them.
- b) For interest payments by the Acquirer for delay in payment of Offer Price, if any, the Acquirer will arrange to deduct tax at the rate of 10% on the interest amount (as provided in Section 194A of the Income Tax Act).
- c) All resident Public Shareholders shall submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer will arrange to deduct tax at the rate of 20% (twenty

per cent) (as provided in Section 206-AA of the Income Tax Act).

- d) Notwithstanding anything contained in paragraphs b) and c) above, no deduction of tax shall be made at source by the Acquirer where the total amount of interest payable to a resident Public Shareholder does not exceed Rs 5,000 (Rupees Five thousand) or where a self-declaration in Form 15G or Form 15H (as provided in the Income Tax Rules, 1962 (as amended)), as may be applicable, has been furnished by a resident Public Shareholder. The self-declaration in Form 15G and Form 15H will not be regarded as valid unless the resident Public Shareholder furnished its PAN in such declaration. Additionally, no tax is to be deducted on the amount of interest in case of a resident Shareholder being a Mutual Fund as per Section 10(23D) of the Income Tax Act or a Bank/an entity specified under Section 194A(3)(iii) of the Income Tax Act if it submits a copy of relevant registration or notification along with the Form of Acceptance-cum-Acknowledgement.

8.10.5 Issue of tax deduction at source certificate

- a) The Acquirer and/or PACs will issue a certificate in the prescribed form to the Public Shareholders (both resident and non-resident) who have been paid the consideration and interest, after deduction of tax at source on the same, certifying the amount of tax deducted at source and other prescribed particulars in accordance with the provisions of the Income Tax Act read with the Income Tax Rules, 1962 (as amended).

8.10.6 Tax implication in foreign jurisdictions

- a) Apart from the above, the Acquirer and/or PACs are entitled to deduct tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Public Shareholder is a resident for tax purposes (the "Overseas Tax"). For this purpose, the non-resident Public Shareholder shall furnish a self-declaration stating the quantum of the Overseas Tax to be deducted as per the relevant tax laws of the country in which the non-resident Public Shareholder is a tax resident and the Acquirer and/or PACs will be entitled to rely on this representation at their sole discretion.
- b) Notwithstanding the details given above, all payments will be made to Public Shareholders subject to compliance with prevailing tax laws.
- c) The tax deducted by the Acquirer and/or PACs while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to the Offer, before the income tax authorities in the jurisdiction where it is a tax resident. The tax rates and other provisions may undergo change.

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

- a) Information requirement from non-resident Public Shareholder:
 - (i) Self-attested copy of PAN card;
 - (ii) Certificate from the income tax authorities for no/lower deduction of tax;
 - (iii) Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
 - (iv) In case of FII, self-attested declaration certifying the nature of income arising from the sale of Equity Shares is capital gains;
 - (v) SEBI registration certificate for FII; and
 - (vi) RBI and other approval(s) obtained for acquiring the Shares, if applicable.
- b) Information requirement in case of resident Public Shareholder:
 - (i) Self-attested copy of PAN card;
 - (ii) Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
 - (iii) If applicable, self-declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment, if any;
 - (iv) Certificate from the income tax authorities (applicable only for the interest payment, if any) for no/lower deduction of tax; and
 - (v) For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any).

8.10.8 The tax deducted under the Offer is not the final liability of the Public Shareholders or in no way discharges the obligation of Public Shareholders to disclose the consideration received pursuant to the Offer in their respective tax returns. The tax rates and other provisions may undergo changes.

- 8.10.9** Public Shareholders who wish to tender their Shares must submit the information all at once as given in the Form of Acceptance-cum-Acknowledgement and those that may be additionally requested for by the Acquirer and/or PACs. The documents submitted by the Public Shareholders along with the Form of Acceptance-cum-Acknowledgement will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer and/ or PACs may not be accepted. In case the documents/information as requested in this Draft Letter of Offer/Form of Acceptance-cum-Acknowledgement are not submitted by a Public Shareholder, or the Acquirer and/or PACs consider the documents/information submitted by a Public Shareholder to be ambiguous/incomplete/conflicting, the Acquirer and/or PACs reserve the right to withhold tax on the gross consideration at the maximum marginal rate as applicable to the category of the Public Shareholder.
- 8.10.10** Based on the documents and information submitted by the Public Shareholders, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer and/or PACs.
- 8.10.11** Taxes once deducted will not be refunded by the Acquirer and/or PACs under any circumstances.
- 8.10.12** The Acquirer and/or PACs shall deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Public Shareholders, such Public Shareholders will be responsible to pay such income tax demand (including interest, penalty, etc.) and provide the Acquirer and/or PACs with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.
- 8.10.13** All Public 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, PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

9. DOCUMENTS FOR INSPECTION

- 9.1 Copies of the following documents will be available for inspection to the Public Shareholders at the office of the Manager to the Offer located at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025, Maharashtra, India on all Working Days (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 11:00 a.m. to 4:00 p.m. during the Tendering Period:
- a) Certified true copies of the certificate of incorporation, memorandum and articles of association of the Acquirer and the PAC 1.
 - b) Letter dated June 30, 2015 from M/s. T N Singh & Company, Chartered Accountants with Firm Registration No. 328692E, having its address at 63, Aurobindo Road, Salkia Plaza Market, 1st Floor, Room 26, Salkia, Howrah -711 106, India, Telephone: +91 33 2675 8053, (Membership No: 304172) certifying that the Acquirer has adequate and firm financial resources to meet its financial obligations under this Offer.
 - c) Annual reports of the Acquirer and PAC 1 for the financial years ending March 31, 2014, March 31, 2013 and March 31, 2012 and limited reviewed unaudited financial statements for the financial year ended March 31, 2015.
 - d) Annual reports of the PACs (other than PAC 1) for the financial years ending March 31, 2015, March 31, 2014 and March 31, 2013.
 - e) Annual reports of the Target Company for the financial years ending March 31, 2015, March 31, 2014 and March 31, 2013.
 - f) Letter from Axis Bank Limited dated June 02, 2015, confirming the amount kept in the Escrow Account.
 - g) A copy of the agreement, entered into by the Acquirer, PAC 3 and the Registrar to the Offer for opening of the Escrow Demat Account for the purposes of this Offer.
 - h) Investment Agreement dated June 30, 2015 between the Acquirer, PAC 2, PAC 3, PAC 4, PAC 5, PAC 6, PAC 7, PAC 8 and the Target Company.
 - i) A copy of Public Announcement dated June 30, 2015, published copy of the Detailed Public Statement dated July 06, 2015 and a copy of the Issue Opening Public Announcement dated [●].

- j) Published copy of the recommendation of the committee of independent directors of the Target Company's Board of Directors in terms of regulation 26(7) of the SEBI (SAST) Regulations.
- k) Letter from SEBI dated [●] giving its comments on this Draft Letter of Offer.
- l) Copy of the Escrow Agreement dated June 02, 2015 entered into by the Acquirer, PAC 3, the Manager to the Offer and the Escrow Agent.

Manager to the Offer, for and on behalf of the Acquirer and the PACs
MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED



Advisor to PAC 3
IL&FS CAPITAL ADVISORS LIMITED



10. DECLARATION BY THE ACQUIRER AND PACS

- 10.1 The Acquirer and the PACs and their respective directors (where applicable) accept the responsibility for the information contained in this Draft Letter of Offer for their respective sections, and for the obligations of the Acquirer and PACs laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof in respect of this Offer. All information pertaining to the Target Company has been obtained from publicly available sources and the accuracy thereof has not been independently verified by the Manager to the Offer.
- 10.2 The Acquirer and the PACs shall be jointly and severally responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations laid down in the SEBI (SAST) Regulations.
- 10.3 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.
- 10.4 The person(s) signing this Draft Letter of Offer is duly and legally authorized by the Acquirer and the PACs to sign this Draft Letter of Offer.

For the board of directors of the Acquirer and the PACs

On behalf of EMC Limited (the “Acquirer”) Authorized Signatory	On behalf of MKN Investment Limited (“PAC 1”) Authorized Signatory
On behalf of McLeod Russel India Limited (“PAC 2”) Authorized Signatory	On behalf of Williamson Magor & Co. Limited (“PAC 3”) Authorized Signatory
On behalf of Babcock Borsig Limited (“PAC 4”) Authorized Signatory	On behalf of Williamson Financial Services Limited (“PAC 5”) Authorized Signatory
On behalf of Kilburn Engineering Limited (“PAC 6”) Authorized Signatory	On behalf of Bishnauth Investments Limited (“PAC 7”) Authorized Signatory
On behalf of Mr. Amritanshu Khaitan (“PAC 8”) Authorized Signatory	

Place: Kolkata

Date: July 13, 2015

Encl:

1. Form of Acknowledgement-cum-Acceptance
2. Share Transfer Form (only to Shareholders holding Shares in physical form)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**McNally Bharat Engineering Company Limited Open Offer****THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

(Please send this Form of Acceptance with enclosures to any of the Collection Centres as mentioned in the Letter of Offer)

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

From

Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	[●]
OFFER CLOSING ON	[●]

To The Acquirer: EMC Limited C/o Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Telephone: +91 40 6716 2222 Facsimile: +91 40 2343 1551 E-mail: einward.ris@karvy.com Contact Person: M. Muralikrishna	Status of the Public Shareholder (Please tick whichever is applicable)			
	☐ Individual ☐ Partnership / Proprietorship firm / LLP ☐ Foreign Trust ☐ OCB	☐ Company ☐ Private Equity Fund ☐ Financial Institution ☐ Domestic Trust	☐ FII ☐ Pension/ Provident Fund ☐ NRIs / PIOs ☐ Banks	☐ FVCI ☐ Sovereign Wealth Fund ☐ Insurance Company ☐ Others_____

Dear Sir,

Sub: Open offer ("Offer") for acquisition of 1,31,54,393 Shares of McNally Bharat Engineering Company Limited ("Target Company") of ₹ 10/- each at a price of ₹ 100.00/- (One hundred) per Offer Share by EMC Limited (the "Acquirer") along with MKN Investment Private Limited ("PAC 1") in its capacity as a person acting in concert for acquisition of Equity Shares and McLeod Russel India Limited ("PAC 2"), Williamson Magor & Co. Limited ("PAC 3"), Babcock Borsig Limited ("PAC 4"), Williamson Financial Services Limited ("PAC 5"), Kilburn Engineering Limited ("PAC 6"), Bishnauth Investments Limited ("PAC 7") and Mr. Amritanshu Khaitan ("PAC 8"), in their capacity as a person acting in concert with the Acquirer for acquisition of control, in compliance with Regulation 3(1) and 4 read with Regulations 13(4), 14, 15(2) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations")

I/We refer to the Public Announcement dated June 30, 2015, Detailed Public Statement dated July 06, 2015 and the Letter of Offer dated July 13, 2015 for acquiring the Equity Shares held by me/us in McNally Bharat Engineering Company Limited.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement and the Letter of Offer and understood their contents including the terms and conditions mentioned therein and unconditionally agree to such terms and conditions.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

☐ **EQUITY SHARES IN DEMATERIALIZED FORM**

I/We, holding the Equity Shares in dematerialised form, accept the Offer and enclose a photocopy or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by my/our Depository Participant ("DP") in respect of my / our Equity Shares as detailed below:

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

I/We have executed an off-market transaction for crediting the Equity Shares to the Escrow Demat Account as per the details below:

- ☐ via a delivery instruction from my/our account with NSDL
- ☐ via an inter-depository delivery instruction from my/our account with CDSL

Depository Participant Name	Karvy Stock Broking Limited	Public Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip
DP Identification Number	IN300394	
Client Identification Number	19120300	

Account Name	KCPL - MBEL OPEN OFFER ESCROW ACCOUNT	for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account with NSDL.
Depository	National Securities Depository Limited ("NSDL")	
ISIN of the Target Company	INE748A01016	

I/We note and understand that the Equity Shares will be held in the credit of the Escrow Demat Account by the Registrar to the Offer on behalf of the Public Shareholders who have accepted this Offer, till completion of formalities relating to this Offer. I/We also note and understand that the consideration will be paid only to those Public Shareholders whose Equity Shares are validly accepted in this Offer, in accordance with the terms of the Letter of Offer.

Enclosures (✓ whichever is applicable)

- ☐ Photocopy or counterfoil of the delivery instructions in "off market" mode duly acknowledged by the Public Shareholders' DP, in favour of the Escrow Demat Account
- ☐ Duly attested power of attorney, if any person apart from the Public Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- ☐ Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorised signatories
- ☐ Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Public Shareholder), in case the original Shareholder has expired
- ☐ Other relevant documents (please specify)

☐ **EQUITY SHARES IN PHYSICAL FORM**

I/We accept this Offer and enclose the original equity share certificate(s) and duly signed Equity Shares transfer deed(s) in respect of my/our Equity Shares in physical form as detailed below:

Sr. No.	Ledger Folio No.(s)	Certificate No.(s)	Distinctive No.(s)		No. of Equity Shares
			From	To	
Total No. of certificate(s)			Total No. of Equity Shares		

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

I/We note and understand that the original equity share certificate(s), valid Equity Share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement will be held in trust by the Registrar to this Offer, on behalf of the Public Shareholders who have accepted this Offer, till completion of formalities relating to this Offer. I/We also note and understand that the consideration will be paid only to those Public Shareholders whose Equity Shares are validly accepted in this Offer, in accordance with the terms of the Letter of 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 equity share certificates from the Target Company.

Enclosures (✓ whichever is applicable)

- ☐ Duly attested power of attorney, if any person apart from the Public Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- ☐ Original equity share certificates
- ☐ Valid Equity Share transfer deed(s)
- ☐ Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorised signatories
- ☐ Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Public Shareholder), in case the original Public Shareholder has expired;
- ☐ Self attested copy of PAN card of all the transferor(s)
- ☐ Other relevant documents (please specify)
- ☐ _____

For all Public Shareholders

I / We, confirm that our residential status for the purposes of tax under the Income Tax Act is:

- ☐ Resident
- ☐ Non-resident. If yes, please state country of tax residency - _____

I / We, confirm that our status is:

- ☐ Individual
- ☐ Firm
- ☐ Company
- ☐ Association of Person / Body of Individual
- ☐ Trust
- ☐ Any other - please specify _____

For FII and FII sub-account Public Shareholders

I/We, confirm that the income arising from the transfer of Equity Shares tendered by me/us in this Offer is in the nature of (*select whichever is applicable*):

- ☐ Capital gains
- ☐ Any other income

I / We, have enclosed the following documents:

- ☐ Self attested copy of PAN card
- ☐ SEBI registration certificate for FII (including sub - account of FII)
- ☐ Tax Residency Certificate, containing all particulars mentioned in Rule 21AB (1) of Income Tax Rules, 1962, provided by the income tax authority of foreign country of which the FII claims to be a tax resident, wherever applicable
- ☐ Certificate from the income tax authorities under Section 195 (3) / 197 of the Income Tax Act, wherever applicable
- ☐ Previous RBI, FIPB or other regulatory approval, if any, for holding Equity Shares tendered in this Offer

For non-resident Public Shareholders (other than FII and FII sub-account Shareholders)

I / We, have enclosed the following documents:

- ☐ Self attested copy of PAN card
- ☐ Copy of relevant pages of demat account statement in case of non - resident Public Shareholders (other than FII and FII sub-account Public Shareholders) if the Equity Shares are claimed to have been held for more than 12 months prior to the date of acceptance, if any, of the Equity Share under this Offer.
- ☐ Copy of relevant pages of demat account statement in case of a Public Shareholder claiming benefit of clause mentioned in paragraph 8.10.2 of the Letter of Offer. Also banker's certificate certifying inward remittances of funds for acquisition of Equity Shares.
- ☐ Tax Residency Certificate, containing all particulars mentioned in Rule 21AB (1) of Income Tax Rules, 1962, provided by the income tax authority of foreign country of which the Public Shareholder claims to be a tax resident, wherever applicable
- ☐ Certificate from the income tax authorities under Section 195 (3) / 197 of the Income Tax Act, wherever applicable
- ☐ Previous RBI, FIPB or other regulatory approval, if any, for holding Equity Shares tendered in this Offer and RBI approval evidencing the nature of shareholding, i.e. repatriable or non-repatriable basis, if applicable

For Resident Public Shareholders

I / We, have enclosed the following documents:

- ☐ Self attested copy of PAN card
- ☐ Self declaration form in Form 15G / Form 15H (in duplicate), if applicable (applicable only for interest payment, if any)
- ☐ Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable ☐ For Mutual Fund/Banks/Notified Institution under Section 194A(3)(iii)(f) of the Income Tax Act, copy of relevant registration or notification (applicable only for interest payment, if any)
- ☐ Other relevant documents (please specify)
- ☐ _____

For All Public Shareholders

I/We confirm that the Equity Shares, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever and are also not the subject matter of litigation; where under the transfer of Equity Shares may be prohibited during the pendency of such litigation.

I/We authorize the Acquirer and/or PACs to accept the Equity Shares so tendered by me/us or such lesser number of Equity Shares offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer. I/We further authorize the Acquirer and/or PACs to return to me/us, equity share certificate(s)/Equity Shares to the extent that the Equity Shares tendered by me /us are not accepted without specifying the reasons thereof, at my/our sole risk. I/We authorize the Acquirer/ PACs/ Registrar to the Offer to split / consolidate the equity share certificates comprising the Equity Shares that are not acquired or accepted to be returned to me/us and for the aforesaid purposes the Acquirer / PACs / Registrar to the Offer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

I/We authorize the Acquirer and/or PACs, the Registrar to the Offer and the Manager to the Offer to send by Registered / Speed Post, as may be applicable (as described in the Letter of Offer) at my/our sole risk, the bankers' cheque/ demand draft/ direct credit/ NECS/ NEFT/ RTGS as consideration, 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 have tendered my Equity Shares in dematerialized form, I authorize the Acquirer and/or PACs, the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my DP for the purpose of mailing the aforementioned instruments.

I/We also note and understand that the Acquirer and /or PACs will pay the purchase consideration only after verification of the documents and signatures.

Bank Details

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

	1 st Shareholder	2 nd Shareholder	3 rd Shareholder
PAN			

So as to avoid fraudulent encashment in transit, the Public Shareholder(s) holding Equity Shares in physical form should provide details of bank account of the first/sole Public Shareholder and the consideration payment will be drawn accordingly. For Equity Shares that are tendered in demat form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the

consideration payment will be issued with the said bank particulars, and not any details provided herein.

Sr No.	Particulars required	Details
I.	Name of the Bank	
II.	Name of the Branch with address	
III.	Account Type (Current Account/ Saving Bank/Others – please mention)	
IV.	Account No.	
V.	9 Digit MICR Code	
VI.	IFSC Code (for RTGS/NEFT/NECS transfers)	

Yours faithfully,

Signed and Delivered

	Full Name(s) of the Shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		

Address of First/Sole Shareholder _____

Note: In case of joint holdings, all Shareholders must sign. In case of body corporate, the company seal should be affixed.

Place:

Date:

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR TO THE OFFER AFTER CLOSURE OF THE TENDERING PERIOD i.e. BY 4:30 P.M. ON SEPTEMBER 02, 2015 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

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

ACKNOWLEDGEMENT SLIP

McNally Bharat Engineering Company Limited - Open Offer

(To be filled in by the Public Shareholder) (Subject to verification)

Received from Mr. / Ms. / M/s. _____ a Form of Acceptance-cum-Acknowledgement for _____ Equity Shares along with:

Physical Shares: Folio No. _____ / Demat Shares: DP ID: _____; Client ID: _____

Form of Acceptance along with:

☐ Copy of depository instruction slip for [_____] number of Shares from DP ID _____ Client ID _____

☐ _____ equity share certificate(s) _____ Equity Shares transfer deed(s) under folio number(s) _____ and other relevant enclosures for accepting this Offer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	
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INSTRUCTIONS

PLEASE NOTE THAT NO SHARES / FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT SHOULD BE SENT DIRECTLY TO THE ACQUIRER AND/OR PACS/ THE TARGET COMPANY/ THE MANAGER TO THE OFFER.

1. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
2. **Public Shareholders holding registered Equity Shares** in physical form should submit the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the holders of the Equity Shares, along with the original equity share certificate(s) and valid Equity Share transfer deed(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the Equity Shares transfer deed(s). A blank share transfer form is enclosed with the Letter of Offer
3. **Public Shareholders holding Equity Shares in dematerialised form** should submit (a) the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the DP and (b) Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction slip in “Off-market” mode, duly acknowledged by the DP. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only. For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Escrow Demat Account, the Acquirer and/or PACs may deem the Offer to have been accepted by the Public Shareholder.
4. **In case of Equity Shares held in joint names**, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement and in the Equity Shares transfer deed(s) as the order in which they hold Equity Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
5. **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested 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.
6. **Persons who own physical Equity Shares but are not the registered holders** of such Equity Shares and who desire to accept this Offer, will have to communicate their acceptance 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 or Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein together with the original contract note issued by the broker through whom they acquired the Equity Shares, the equity share certificate(s), valid Equity Share transfer deed(s) as received from the market, duly executed in favour of the unregistered owner as the proposed transferee(s), along with self attested copy of PAN card of all the proposed transferee(s), an additional valid Equity Share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The details of buyer should be left blank failing which the same will be invalid under this Offer. The details of the buyer will be filled by the Acquirer and/or PACs, upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance. In case the equity share certificate(s) and Equity Shares transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form of Acceptance-cum-Acknowledgement shall be accompanied by the acknowledgment of lodgement with, or receipt by, the Target Company/its transfer agents, of the equity share certificate(s) and Equity Shares transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or in person to the Registrar to the Offer at their offices as mentioned below. The sole/first Public Shareholder may also mention particulars relating to savings account /current account / Non-Resident External (NRE) account / Non-Resident Ordinary account (NRO) / others (please specify) number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form of Acceptance-cum-Acknowledgement, to enable the Registrar to the Offer to print the said details in the payment instrument after the name of the payee.
7. **Non-resident Shareholders** should enclose copy(ies) of permission received from the RBI to acquire Equity Shares held by them in the Target Company.
8. **Public Shareholders** are also advised to refer to paragraph 8.10 of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them.
9. NRIs, OCBs and other foreign Public Shareholders are required to furnish banker's certificate certifying inward remittances of funds for acquisition of Equity Shares of the Target Company.
10. **In case of bodies corporate**, certified copies of appropriate authorization (including board/shareholder resolutions, as applicable) authorizing the sale of Equity Shares along with specimen signatures duly attested by a bank must be annexed. The common seal of the body corporate should also be affixed.
11. **All the Public Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
 - a) Duly attested death certificate and succession certificate (in case of single Public Shareholder) in case the original Public Shareholder has expired.
 - b) Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form of Acceptance-cum-Acknowledgement or Equity Shares transfer deed(s).
12. Pursuant to Regulation 18(9) of the SEBI (SAST) Regulations, Shareholders who have accepted the Offer by tendering the Shares in terms of the PA and Letter of Offer, shall not be entitled to withdraw such acceptance during the Tendering Period.
13. In case PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and/or PACs will arrange

to deduct tax at the rate of 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the IT Act, whichever is higher.

14. In case of ambiguity, incomplete or conflicting information or the information (including any additional information or documents which may be requested by the Acquirer and/or PACs from a Public Shareholder for ascertaining the taxes to be deducted) not being provided to the Acquirer and/or PACs, it would be assumed that the Public Shareholder is a non-resident Public Shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Public Shareholder belongs under the IT Act, on the entire consideration and interest if any, payable to such Public Shareholder.
15. In the event the Acquirer and/or PACs, on the basis of any misrepresentation, inaccuracy or omission of information provided by a Public Shareholder, fail to withhold/deduct the required tax, and as a result of such failure the Acquirer and/or PACs is/are called upon by the income tax authorities (by way of a demand notice or otherwise) for recovery of the shortfall in the taxes withheld/deducted by the Acquirer and/or PACs, the Acquirer and/or PACs shall be entitled to seek indemnification from such Public Shareholder towards any payments made by the Acquirer and/or PACs to the income tax authorities towards such shortfall, together with any interest, penalties, costs and expenses payable or incurred or to be incurred by the Acquirer and/or PACs.
16. Tax rates and other related provisions may undergo changes. Tax will be withheld as per the laws / rates prevailing at the time of making payment to the Public Shareholders.
17. Taxes once withheld will not be refunded by the Acquirer and/or PACs under any circumstances. The tax withheld under this Offer is not the final liability of the Public Shareholders or in no way discharges the obligation of Public Shareholders to disclose the amount received pursuant to this Offer.
18. Public 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 and/or PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.
19. The final decision to withhold tax or not, or the quantum of taxes to be withheld rests solely with the Acquirer and/or PACs.

The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted by the mode of delivery at any of the collection centres mentioned overleaf.

FOR DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER, REFER TO THE LETTER OF OFFER.

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

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address quoting your reference Folio No. / DP ID and Client ID

KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Contact Person: M. Muralikrishna

The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted by the mode of delivery at any of the collection centres, as mentioned below:

Sl No	Collection Centre	Address of Collection Centre	Contact Person	Telephone No., Fax No. and Email	Mode of Delivery
1	New Delhi	Karvy Computershare Private Limited 305, New Delhi House, 27, Barakhamba Road, Connaught Place New Delhi-110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi/ John Mathew	Telephone No.: +91 11 4368 1700 Fax No.: +91 11 41036370 Email: rakesh.jamwal@karvy.com; john.mathew@karvy.com; vinod.negi@karvy.com	Hand Delivery
2	Mumbai	Karvy Computershare Private Limited 24-B, Rajabahudur Mansion, Ground Floor, 6, Ambalal Doshi Marg, Behind BSE Ltd, Fort, Mumbai - 400 001	Mr. Nutan Shirke	Telephone No.: +91 22 66235454/ 66235412 Fax No.: +91 22 6633 1135 Email: ircfort@karvy.com; nutan.shirke@karvy.com	Hand Delivery
3	Kolkata	Karvy Computershare Private Limited	Mr. Sujit Kundu/Mr. Debnath	Telephone No.: +91 33 66192841/42	Hand Delivery

Sl No	Collection Centre	Address of Collection Centre	Contact Person	Telephone No., Fax No. and Email	Mode of Delivery
		49, Jatin Das Road, Near Deshpriya Park, Kolkata - 700 029		Fax No.: +91 33 2464 4866 Email: sujit.kundu@karvy.com; nilkanta.debnath@karvy.com	
4	Hyderabad	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032	Mr. Bhakta Singh/ Mr. Shyam	Telephone No.: +91 40 3321 2222/ 6716 1500 Fax No.: 040- 23431551 Email: ircmadhapur@karvy.com; bhaktasingh.k@karvy.com	Registered Post / Courier
5	Chennai	Karvy Computershare Private Limited No. F11 First Floor, Akshya Plaza, New no. 108, Adhithanar Salai, Egmore, Chennai - 600 002	Mr. G Karthikeyan/ Ramakrishna	Telephone No.: +91 44 2858 7781/ 4202 8513 Fax No.: Not Available Email: chennaiirc@karvy.com	Hand Delivery

Note: All of the centres of the Registrar to the Offer mentioned above will be open from Monday to Friday - 10:00 am to 4:30 pm and Saturday - 10:00 am to 1:00 pm during the Tendering Period. The centres will be closed on Sundays and public holidays.