

**DRAFT LETTER OF OFFER****"This Document is important and requires your immediate attention"**

This Draft Letter of Offer is sent to you as a shareholder(s) of LARK TRADING AND FINANCE LIMITED. If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was affected.

**OPEN OFFER  
BY**

Name of the Acquirers	Address of the Acquirers	Contact no.	Email Id
Ankit Tayal	A-16, Vivek Vihar Phase II, Delhi-110095	+91 9711111322	<a href="mailto:ankittayal@thesteindia.com">ankittayal@thesteindia.com</a>
Shivani Khara	158 Tagore Garden, Kingsway Delhi-110009	(011) 4553 0694	<a href="mailto:shivanikhara@thesteindia.com">shivanikhara@thesteindia.com</a>
Hari Om Tayal	A-11, Vivek Vihar Phase II, Delhi-110095	+91 9210485850	<a href="mailto:tayalhariom1970@gmail.com">tayalhariom1970@gmail.com</a>
Gunvanti Jain	C-189,FF, Phase 1, Vivek Vihar, Delhi-110095	(011) 4553 0694	<a href="mailto:gunvantisjain@gmail.com">gunvantisjain@gmail.com</a>

(hereinafter collectively referred to as **"the Acquirers"**)

To the shareholders of



**LARK TRADING AND FINANCE LIMITED ("LTFL" or the "Target Company")**

having its registered office at Flat 101, Surya Bagh, Surya Complex, Phase II, Mahamoorgunj, Varanasi- 221 010  
Tel. No.: (0542) 2220331; email id – [larktradingfinance@gmail.com](mailto:larktradingfinance@gmail.com)

For the acquisition of 13,67,600 (Thirteen Lakhs Sixty Seven Thousand Six Hundred) fully paid-up equity shares of face value of Rs. 10/- each, representing 26% of the emerging equity and voting share capital at a price of Rs. 12.50/- (Rupees Twelve and Fifty Paise Only) per equity share ("**Offer Price**") payable in cash ("**Offer**" or "**Open Offer**").

**Please Note:**

- This Offer is being made by the Acquirers pursuant to regulation 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") for substantial acquisition of shares/ voting rights accompanied with change in control and management of the Target Company.
- The Offer is subject to receipt of statutory and other approvals as mentioned in Paragraph 6.7 of this Draft Letter of Offer.
- If there is any upward revision in the Offer Price/Size at any time up to three (3) working days prior to commencement of the tendering period viz. 17.05.2017 in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement dated 03.04.2017 had appeared. If the Offer is withdrawn pursuant to regulation 23, the same would be communicated within two (2) working days by an Announcement in the same newspapers in which the Detailed Public Statement had appeared.
- If there is a competitive bid:**
  - The Public Offer under all subsisting bids shall open and close on the same date.**
  - As per the information available with the Acquirers, no competitive bid has been announced as of the date of this Draft Letter of Offer.**
- Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Detailed Public Statement/Draft Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.
- This Offer is not conditional upon any minimum level of acceptance in terms of the regulation 19(1) of the SEBI (SAST) Regulations.
- The Procedure for acceptance and settlement is set out in Para 7 of this Draft Letter of Offer. A Form of Acceptance is enclosed with this Draft Letter of Offer.
- The Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgement) would also be available at SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).

	<b>MANAGER TO THE OFFER:</b> <b>VC CORPORATE ADVISORS PRIVATE LIMITED</b> SEBI REGN NO: INM000011096 (Contact Person: Mr. Anup Kumar Sharma) 31, Ganesh Chandra Avenue, 2 <sup>nd</sup> Floor, Suite No.-2C, Kolkata-700 013 Phone No : (033) 2225 3940 Fax : (033) 2225 3941 Email: <a href="mailto:mail@vccorporate.com">mail@vccorporate.com</a>		<b>REGISTRAR TO THE OFFER:</b> <b>SATELLITE CORPORATE SERVICES PVT. LTD.</b> SEBI REGN NO.: INR000003639 (Contact Person: Mr. Michael Monteiro) B-302, Sony Apartment, Opp. St. Jude's High School, 90, Feet Road, Jarimari, Sakinaka, Mumbai- 400 072 Phone No.: (022) 2852 0461/62 Fax No.: (022) 2851 1809 Email: <a href="mailto:service@satellitecorporate.com">service@satellitecorporate.com</a>
	<b>TENDERING PERIOD OPENS ON:</b> <b>MAY 23, 2017, TUESDAY</b>		<b>TENDERING PERIOD CLOSING ON:</b> <b>JUNE 05, 2017, MONDAY</b>

**A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:**

<b>Activities</b>	<b>Date</b>	<b>Day</b>
Date of the PA	March 24, 2017	Friday
Publication of Detailed Public Statement in newspapers	April 03, 2017	Monday
Last date of a Competing Offer	April 26, 2017	Wednesday
Identified Date*	May 08, 2017	Monday
Date by which the Letter of Offer will be dispatched to the shareholders	May 16, 2017	Tuesday
Last date for upward revision of Offer Price and/or Offer Size	May 17, 2017	Wednesday
Last date by which Board of the Target Company shall give its recommendation	May 19, 2017	Friday
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspapers and sending the same to SEBI, Stock Exchanges and Target Company	May 22, 2017	Monday
Date of commencement of tendering period	May 23, 2017	Tuesday
Date of closing of tendering period	June 05, 2017	Monday
Date by which communicating rejection/ acceptance and payment of consideration for applications accepted	June 19, 2017	Monday

*\*Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer.*

**Risk Factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirers: -**

1. The Offer involves an offer to acquire 26% of the emerging equity and voting share capital of LTFL from the eligible persons for the Offer.
2. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the public shareholders of LTFL whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders for the delay, as may be specified by SEBI.
3. Shareholders should note that shareholders who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed.
4. The Equity Shares tendered in the Offer will be held in the pool account of the broker / in trust by the Clearing Corporation/Registrar to the Offer, until the completion of the Offer formalities, and the Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares during such period. It is understood that the Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
5. As on date the Offer is subject to the receipt of any statutory and regulatory approvals by the Acquirers as mentioned under Paragraph 6.7 of this Draft Letter of Offer. The Acquirers may not be able to proceed with the Offer in the event the approvals are not received in terms of the regulation 23 of the SEBI (SAST) Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

**Risks involved in associating with the Acquirers:**

6. The Acquirers intend to acquire 13,67,600 fully paid-up equity shares of face value of Rs. 10/- each, representing 26% of the emerging equity and voting share capital at a price of Rs. 12.50/- (Rupees Twelve and Fifty Paise Only) per equity share, payable in cash under the SEBI (SAST) Regulations. LTFL does not have any partly paid-up equity shares as on the date of the PA. Post this Offer, the Acquirers will have significant equity ownership & effective management control over the Target Company pursuant to regulation 3(1) & 4 of the SEBI (SAST) Regulations.

The Acquirers make no assurance with respect to the market price of the shares during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer. The Acquirers make no assurance with respect to the financial performance of the Target Company.

7. The Acquirers and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement or this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.
8. The risk factor set forth above pertains to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their respective participation in the Offer.

**INDEX**

Sl.No.	Subject	Page No.
1.	Disclaimer Clause	04
2.	Details of the Offer	04
3.	Background of the Acquirers	06
4.	Background of the Target Company	07
5.	Offer Price and Financial Arrangements	09
6.	Terms and Conditions of the Offer	10
7.	Procedure for Acceptance and Settlement of the Offer	11
8.	Documents for Inspection	14
9.	Declaration by the Acquirers	14

**DEFINITIONS/ABBREVIATIONS**

Acquirers	Mr. Ankit Tayal, Mrs. Shivani Kherra, Mr. Hari Om Tayal and Mrs. Gunvanti Jain
Board	The Board of Directors of the Target Company
Book Value per Share	Net Worth/Number of shares
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CSE	The Calcutta Stock Exchange Limited
DIS	Delivery Instruction Slip
DPS	Detailed Public Statement dated 03.04.2017
Escrow Banker	HDFC Bank Limited
Emerging Equity and voting share capital	Rs. 526.00 Lakhs comprising of 52,60,000 equity shares of face value of Rs. 10/- each
FOA or Form of Acceptance	Form of Acceptance- cum- Acknowledgment accompanying this Letter of Offer
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer.
LOF	Letter of Offer
Manager to the Offer	VC Corporate Advisors Private Limited
MSEIL	Metropolitan Stock Exchange of India Limited
NRI(s)	Non- Resident Indians
NSDL	National Securities Depository Limited
Offer Period	24.03.2017 to 19.06.2017
Offer Price	Rs. 12.50/- (Rupees Twelve and Fifty Only) per equity share payable in cash
Offer/Open Offer	Cash Offer being made by the Acquirers to acquire 13,67,600 equity shares of face value of Rs. 10/- (Rupees Ten Only) each, representing 26% of the emerging equity and voting share capital at a price of Rs. 12.50/- (Rupees Twelve and Fifty Only) per equity share
PA	Public Announcement dated 24.03.2017
PAT	Profit After Tax
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of LTFL (except the parties to the SPA)
Pre Preferential Capital	Rs. 50.00 Lakhs comprising of 5,00,000 equity shares of face value of Rs. 10/- each
RBI	Reserve Bank of India
Registrar to the Offer	Satellite Corporate Services Private Limited
Return on Net Worth	(Profit After Tax/Net Worth)*100
Sale Shares	1,25,500 equity shares of face value of Rs. 10/- each at a price of Rs. 10/- per equity share forming part of the SPA between the Acquirers and the Sellers.
SEBI	Securities & Exchange Board of India
SEBI (SAST) Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
Sellers or Present Promoters	Mrs. Shruti Saraogi and Mrs. Sumitra Devi Almal
SPA or Agreement	Share Purchase Agreement dated 24.03.2017 entered into between the Acquirers and the Sellers
Target Company / LTFL	Lark Trading and Finance Limited

**Note:** All terms beginning with a capital letter used in this Draft LOF, but not otherwise defined herein, shall have the meaning ascribed thereto in that particular section or in the SEBI (SAST) Regulations unless specified.

## 1. DISCLAIMER CLAUSE

**"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF 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 EQUITY SHAREHOLDERS OF LTFL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR FOR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 05.04.2017 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER."**

## 2. DETAILS OF THE OFFER:

### 2.1 Background of the Offer:

- 2.1.1.** This Open Offer ("Offer") is being made by the Acquirers in compliance with regulation 3(1) & 4 of the SEBI (SAST) Regulations, to the equity shareholders of Lark Trading and Finance Limited (hereinafter referred to as "Target Company" or "LTFL") a Company incorporated and duly registered under the Companies Act, 1956 and having its registered office Flat 101, Surya Complex Phase-2, Surya Bagh, Mahamoorganj, Varanasi- 221010.
- 2.1.2.** The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.
- 2.1.3.** There is no Person Acting in Concert ("PAC") with the Acquirers for the purpose of this Open Offer in terms of regulation 2(1)(q)(2) of the SEBI (SAST) Regulations.
- 2.1.4.** The Acquirers are making an Open Offer to acquire 13,67,600 Equity Shares of face value of Rs. 10/- each representing 26% of emerging equity and voting share capital of the Target Company, at a price of Rs. 12.50/- (Twelve and Fifty Paise Only) per equity share ("Offer Price") payable in cash ("Offer" or "Open Offer"), subject to the terms and conditions mentioned hereinafter.
- 2.1.5.** The Acquirers have made this mandatory Open Offer in compliance with the regulation 3(1) & 4 of the SEBI (SAST) Regulations, pursuant to conversion of 31,50,000 convertible warrants into equal number of equity shares i.e., 31,50,000 equity shares constituting 59.89% of the emerging equity and voting share capital of the Target Company and execution of a Share Purchase Agreement dated 24.03.2017 with the present Promoters of the Target Company, to acquire from them in aggregate 1,25,500 (One Lakh Twenty Five Thousand Five Hundred) equity shares of Rs. 10/- each representing 2.39% of the emerging equity and voting share capital of the Target Company at a price of Rs. 10/- per fully paid-up equity share payable in cash ("Negotiated Price") for a total consideration of Rs. 12,55,000/- (Rupees Twelve Lakhs Fifty Five Thousand Only). The Offer is not a result of Global Acquisition resulting in indirect acquisition of Target Company.
- 2.1.6.** The Acquirers have not acquired any equity shares/voting rights of LTFL during the fifty- two weeks (52) period immediately preceding the date of the PA except the shares allotted to them pursuant to conversion of 31,50,000 convertible warrants into equal number of equity shares. The Acquirers have entered into the Share Purchase Agreement on 24.03.2017 with the present Promoters/ Promoter Group of LTFL for acquisition of 1,25,500 equity shares representing 2.39% of the fully paid-up emerging equity and voting share capital of LTFL.
- 2.1.7.** The Manager to the Offer, VC Corporate Advisors Private Limited, does not hold any equity shares in the Target Company as on the date of DPS. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the equity shares of the Target Company during the Offer Period.
- 2.1.8.** The Salient features of the Share Purchase Agreement are as follows:
- The Sellers hold 1,25,500 equity shares of the Target Company aggregating to 2.39% of the emerging equity and voting share capital of the Target Company. The entire shareholding of the Sellers is in demat mode.
  - The Sellers have agreed to sell and the Acquirers have agreed to acquire in aggregate 1,25,500 equity and voting share capital of the Target Company at a price of Rs. 10/- (Rupees Ten Only) per share in cash for an aggregate consideration of Rs. 12,55,000/- (Rupees Twelve Lakhs and Fifty Five Thousand Only).
  - The Sale Shares are free from all charges, encumbrances or liens and are not subjects to any lock in period.
  - On the date of Signing of the Agreement, Sellers and the Acquirers hereby agree that the transaction of purchase and sale of the Sale Shares shall be entered into between the Acquirers and Sellers on the closing date i.e., a date which shall be within 6 months after the receipt of the Final Certificate from the Manager to the Offer about

the completion of the Open Offer formalities, on the Spot Delivery Contract Basis as per the provisions of the Securities Contract Regulations Act, 1956.

- e. That the Acquirers and the Sellers agree to abide by its obligations as contained in the SEBI (SAST) Regulations.
- f. If the provisions of the Takeover code are not complied with, the SPA shall not be acted upon, either by the Sellers or Acquirers.

**2.1.9.** None of the Acquirers have been prohibited by the SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended ("**SEBI Act**") or under any other regulation made under the SEBI Act.

**2.1.10.** Pursuant to completion of this Offer, assuming full acceptance to this Offer, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended. The Acquirers undertake that they will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contract (Regulation) Rules, 1957 as amended, provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and the Regulation 7(4) and 7(5) of the SEBI (SAST) Regulations and will reduce the non-public shareholding within the period mentioned therein.

**2.1.11.** The recommendation of the committee of Independent Directors of the Target Company on the Offer will be published at least two (2) working days before the commencement of the tendering period, in the same newspapers where the DPS was published and a copy of the same shall be sent to SEBI, MSEIL, CSE and Manager to the Offer in compliance of regulation 26(7) of the SEBI (SAST) Regulations.

## **2.2 Details of the proposed Offer:**

**2.2.1.** The Detailed Public Statement pursuant to the Public Announcement made by the Acquirers has appeared in The Financial Express (English Daily) all editions, Jansatta (Hindi Daily) all editions, Mumbai Lakshadweep (Marathi Daily) and Kalantar (Bengali Daily) on 03.04.2017 in compliance with regulation 14(3) of the SEBI (SAST) Regulations. The Detailed Public Statement made on 03.04.2017 is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

**2.2.2.** The Acquirers propose to acquire from the existing equity shareholders of LTFL (except the parties to the SPA) 13,67,600 equity shares of face value of Rs. 10/- each representing 26% of emerging equity and voting share capital of the Target Company, at a price of Rs. 12.50/- (Rupees Twelve and Fifty Paise Only) (the "**Offer Price**") per equity share payable in cash (the "**Offer**" of "**Open Offer**"), subject to the terms and conditions mentioned hereinafter.

**2.2.3.** As on date of PA, the Target Company does not have partly paid-up equity shares. There are no outstanding warrants or option or similar instrument, convertible into equity shares at a later stage. No shares are subject to any lock-in obligations except 47,60,000 equity shares allotted pursuant to preferential allotment which will be locked-in in compliance with regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and subsequent amendments thereto.

**2.2.4.** The Acquirers will accept all the equity shares of LTFL those that are tendered in valid form in terms of this Open Offer upto a maximum of 13,67,600 fully paid-up equity shares of face value of Rs. 10/- each representing 26% of the emerging equity and voting share capital of the Target Company.

**2.2.5.** Since the date of the PA to the date of this Draft LOF, the Acquirers have not acquired any equity shares of LTFL except the shares allotted to them pursuant to conversion of 31,50,000 convertible warrants into equal number of equity shares.

**2.2.6.** No competitive bid has been received as on date of this Draft LOF.

**2.2.7.** This Offer is not conditional upon any minimum level of acceptance in terms of the regulation 19(1) of the SEBI (SAST) Regulations, and not a Competitive Bid in terms of the Regulation 20 the SEBI (SAST) Regulations.

**2.2.8.** This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.

## **2.3 Object of the Offer:**

**2.3.1** The prime object of the Open Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.

**2.3.2** This Open Offer is for acquisition of 26% of emerging equity and voting share capital of the Target Company. After the completion of this Open Offer and pursuant to transfer of equity shares so acquired under SPA, the Acquirers shall hold the majority of the Equity Shares by virtue of which they shall be in a position to exercise effective management and control over the Target Company.

**2.3.3** Subject to satisfaction of the provisions under the Companies Act, 1956/ 2013, whichever applicable, the SEBI (SAST) Regulations and/ or any other Regulation(s), the Acquirers intend to control & make changes in the management of LTFL.

**2.3.4** The prime object of the Offer is to acquire substantial stake and change the control and management of the Target Company. The Acquirers propose to continue and expand the existing business of the Target Company and may also diversify into other business with prior consent of the shareholders and in accordance with the laws applicable.

**2.3.5** The Acquirers do not have any plans to dispose off or otherwise encumber any significant assets of LTFI in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that they shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

### **3. BACKGROUND OF THE ACQUIRERS:**

#### **3.1. Mr. Ankit Tayal**

**3.1.1.** Mr. Ankit Tayal, S/o Shri Mukesh Tayal aged about 29 years is residing at A-16, Vivek Vihar Phase II, Delhi-110095, Ph No.: +91 9711111322, email: ankittayal@thesteppindia.com. Mr. Ankit Tayal is a Chartered Accountant and has an experience of six years in the fields of finance, accounts and taxation. Mr. Ankit Tayal is also a non-executive director on the board of the Target Company.

**3.1.2.** Mr. Abhishek Sharma, Proprietor of Abhishek Anand & Co, Chartered Accountants (Membership No. 511896 and FRN No.: 014596C), having office at K-62, 1<sup>st</sup> Floor, Green Park, New Delhi- 110 016, Ph No.: 011-4604 6396/4604 5822, email: abhishek@abhishekanand.com, has certified vide their certificate dated 16<sup>th</sup> February, 2017 that the networth of Mr. Ankit Kumar Tayal as on 31.12.2016 is Rs. 1,88,90,044 (Rupees One Crore Eighty Eight Lakhs Ninety Thousand and Forty Four Only).

**3.1.3.** Mr. Ankit Tayal holds the position of a Director in Step Cables Private Limited, Plural Shared Services Private Limited, Step Industries Private Limited and A.S.T. Exim Private Limited.

#### **3.2. Mrs. Shivani Khera**

**3.2.1.** Mrs. Shivani Khera, W/o Mr. Ankit Tayal aged about 28 years resident of 158 Tagore Garden, Kingsway Delhi-110009, Ph No.: (011) 4553 0694, email: [shivani.khera@thesteppindia.com](mailto:shivani.khera@thesteppindia.com). Mrs. Shivani Khera is a Commerce Graduate and has an experience of three years in accounts and general corporate affairs.

**3.2.2.** Mr. Abhishek Sharma, Proprietor of Abhishek Anand & Co, Chartered Accountants (Membership No. 511896 and FRN No.: 014596C), having office at K-62, 1<sup>st</sup> Floor, Green Park, New Delhi- 110 016, Ph No.: 011- 4604 6396/4604 5822, email: abhishek@abhishekanand.com, has certified vide their certificate dated 16<sup>th</sup> February, 2017 that the networth of Mrs. Shivani Khera as on 31.12.2016 is Rs. 57,49,416/- (Rupees Fifty Seven Lakhs Forty Nine Thousand Four Hundred and Sixteen Only).

**3.2.3** Mrs. Shivani Khera doesn't hold directorship in any Company.

#### **3.3. Mr. Hari Om Tayal**

**3.3.1.** Mr. Hari Om Tayal, S/o Shri Tirllok Chand Tayal aged 46 years is residing at A-11, Vivek Vihar Phase II, Delhi-110095, Ph No.: +91 9210485850, email: tayalhariom1970@gmail.com. Mr. Hari Om Tayal is a Commerce Graduate and has an experience of more than twenty two years in finance and real estate.

**3.3.2.** Mr. Abhishek Sharma, Proprietor of Abhishek Anand & Co, Chartered Accountants (Membership No. 511896 and FRN No.: 014596C), having office at K-62, 1<sup>st</sup> Floor, Green Park, New Delhi- 110 016, Ph No.: 011-4604 6396/4604 5822, email: abhishek@abhishekanand.com, has certified vide their certificate dated 16<sup>th</sup> February, 2017 that the networth of Mr. Hari Om Tayal as on 31.12.2016 is Rs. 5,34,54,231 (Rupees Five Crores Thirty Four Lakhs Fifty Four Thousand Two Hundred Thirty One Only).

**3.3.2** Mr. Hari Om Tayal doesn't hold directorship in any Company.

#### **3.4. Mrs. Gunvanti Jain**

**3.4.1.** Mrs. Gunvanti Jain, W/o Shri Satish Jain aged 38 years is residing at C-189,FF, Phase 1, Vivek Vihar, Delhi-110095, Ph No.: (011) 4553 0694, email: gunvantisjain@gmail.com. Mrs. Gunvanti Jain is a Commerce Graduate and has an experience of more than ten years in management and general corporate affairs.

**3.4.2.** Mr. Pratap Vishnoi, Proprietor of Pratap Vishnoi & Associates, Chartered Accountants, (Membership No. 094890 and FRN No.: 015129N), having office at 311, Ushma Urja Apartment, C-58/2, Sector-62, Noida- 201301, Ph No.: +91 7838051700, email: info@mkgindia.com, has certified vide their certificate dated 20<sup>th</sup> February, 2017 that the networth of Mrs. Gunvanti Jain as on 31.12.2016 is Rs. 69,60,000 (Rupees Sixty Nine Lakhs Sixty Thousand Only).

**3.4.3** Mrs. Gunvanti Jain doesn't hold directorship in any Company.

**3.5.** The Acquirers undertake that they will not sell the equity shares of the Target Company held by them during the Offer period in terms of regulation 25(4) of the SEBI (SAST) Regulations.

**3.6.** None of the Acquirers have been prohibited by the SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended ("SEBI Act") or under any other regulation made under the SEBI Act.

**3.7.** The Acquirers have undertaken that if they acquire any equity shares of the Target Company during the Offer Period, they shall inform MSEIL, CSE, the Target Company and the Manager to the Offer within 24 hours of the

acquisition in compliance with regulation 18(6) of the SEBI (SAST) Regulations. Further, they have also undertaken that they will not acquire or sell any equity shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period and until the closure of the Tendering Period as per regulation 18(6) of the SEBI (SAST) Regulations.

#### 4. BACKGROUND OF THE TARGET COMPANY:

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- 4.1.** Lark Trading and Finance Limited ("LTFL") was originally incorporated as a Public Limited Company on 22<sup>nd</sup> December, 1987 under the Companies Act 1956 in the state of Uttar Pradesh and obtained the Certificate of Commencement of Business pursuant to Section 149(2) (a) to (c) of the Companies Act, 1956 from the Registrar of Companies, Kanpur vide certificate dated 28th December, 1987. The CIN of LTFL is L34102UP1987PLC009222. The registered office of the LTFL is presently situated at Flat 101, Surya Complex Phase-2, Surya Bagh, Mahamoorganj, Varanasi- 221010. Tel No. (0542) 2220331; E-mail: larktradingfinance@gmail.com.
- 4.2.** The Authorised Share Capital of LTFL is Rs. 1,050.00 Lakhs divided into 1,05,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed & Paid-up Capital of the LTFL is Rs. 526.00 Lakhs divided into 52,60,000 equity shares of Rs. 10/- each. LTFL has established its connectivity with both the National Securities Depository Limited and Central Depository Services (India) Limited. The ISIN of LTFL is INE936T01017 & the marketable lot for equity share is 1 (One).
- 4.3.** The Target Company is engaged in the business of investment in shares and securities and providing loans and advances. The Target Company is registered with the Reserve Bank of India as a non-deposit taking NBFC vide registration no. B-12.00382.
- 4.4.** As on date, the Target Company does not have any partly paid-up equity shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. No shares are subject to any lock in obligations except 47,60,000 equity shares allotted pursuant to preferential allotment. Further the equity shares allotted pursuant to the Preferential Allotment are yet to be admitted for listing on both the Metropolitan Stock Exchange of India Limited and The Calcutta Stock Exchange Limited.
- 4.5.** The equity shares of LTFL are listed at the Metropolitan Stock Exchange of India Limited ("MSEIL") and The Calcutta Stock Exchange Limited ("CSE") only. The equity shares of LTFL are infrequently traded on both the MSEIL and the CSE within the meaning of definition "frequently traded shares" under regulation 2(1)(j) of the SEBI (SAST) Regulations.

- 4.6.** The Share Capital of the Target Company is as follows:

<b>Paid up Equity Shares of Target Company</b>	<b>No. of Shares / Voting Rights</b>	<b>% of Shares / Voting Rights</b>
Fully Paid-up Equity Shares	52,60,000	100%
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	52,60,000	100%
Total Voting Rights in the Target Company	52,60,000	100%

- 4.7.** As on the date of this Draft LOF, the Board of Directors of LTFL are as follows:

<b>NAMES OF DIRECTORS</b>	<b>DESIGNATION</b>	<b>DIN NO.</b>	<b>DATE OF APPOINTMENT</b>
Shruti Saraogi	Director	00906617	07.11.2002
Sumitra Devi Almal	Director	00906643	07.11.2002
Ankit Tayal	Director	03055997	03.02.2016
Chander Shekhar Gupta	Director	06380668	24.03.2017
Vikash Gambhir	Director	07767493	24.03.2017

- 4.8.** There has been no merger / demerger or spin off involving LTFL during the last 3 years.

#### 4.9. Financial Information:

Brief audited financial information of the Target Company for the year ended 31.03.2014, 31.03.2015,31.03.2016 and the certified and un-audited standalone financial statements for the nine months period ended 31.12.2016 are as follows:

##### Profit & Loss Statement

(Rs. in Lacs)

<b>Particulars</b>	<b>31<sup>st</sup> March 2014 (Audited)</b>	<b>31<sup>st</sup> March 2015 (Audited)</b>	<b>31<sup>st</sup> March 2016 (Audited)</b>	<b>9 Months Period ended 31.12.2016 (Certified &amp; Un-Audited)</b>
Income from Operations	13.74	3.44	7.67	19.82
Other Income	-	-	0.01	0.03
<b>Total Income</b>	<b>13.74</b>	<b>3.44</b>	<b>7.68</b>	<b>19.85</b>
Total Expenditure	11.75	4.00	11.54	13.62
Profit/ (Loss) before Interest, Depreciation and Tax	1.99	(0.56)	(3.86)	6.25
Depreciation	0.01	0.04	-	-

Particulars	31 <sup>st</sup> March 2014 (Audited)	31 <sup>st</sup> March 2015 (Audited)	31 <sup>st</sup> March 2016 (Audited)	9 Months Period ended 31.12.2016 (Certified & Un-Audited)
Interest	-	-	-	-
<b>Profit/ (Loss) before Tax</b>	<b>1.98</b>	<b>(0.60)</b>	<b>(3.86)</b>	<b>6.25</b>
Provision for Tax (including fringe benefit tax)	0.37	(0.02)	-	-
<b>Profit/ (Loss) after tax</b>	<b>1.61</b>	<b>(0.58)</b>	<b>(3.86)</b>	<b>6.25</b>

**Balance Sheet**

(Rs. in Lacs)

Particulars	31 <sup>st</sup> March 2014 (Audited)	31 <sup>st</sup> March 2015 (Audited)	31 <sup>st</sup> March 2016 (Audited)	9 Months Period ended 31.12.2016 (Certified & Un-Audited)
<b>Sources of funds</b>				
Paid-up Share Capital	50.00	50.00	50.00	50.00
Subscription towards convertible warrants	-	-	148.75	509.37
Reserves & Surplus (excluding revaluation reserves and capital reserves)	9.99	9.41	5.54	11.79
Less:- Miscellaneous Expenditure not written off	-	-	-	-
<b>Net Worth</b>	<b>59.99</b>	<b>59.41</b>	<b>204.29</b>	<b>571.16</b>
Deferred Tax Liabilities	0.01	-	0.01	0.01
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
<b>Total</b>	<b>60.00</b>	<b>59.41</b>	<b>204.30</b>	<b>571.17</b>
<b>Uses of funds</b>				
Net Fixed Assets	0.06	0.02	0.02	0.02
Investments	2.35	14.46	35.05	-
Long Term Loans & Advances	12.08	12.08	93.80	552.59
Other Non-Current Assets	29.45	9.10	-	-
Net Current Assets	16.06	23.75	75.43	18.56
<b>Total</b>	<b>60.00</b>	<b>59.41</b>	<b>204.30</b>	<b>571.17</b>

**Other Financial Data**

Particulars	31 <sup>st</sup> March 2014 (Audited)	31 <sup>st</sup> March 2015 (Audited)	31 <sup>st</sup> March 2016 (Audited)	9 Months Period ended 31.12.2016 (Certified & Un-Audited)
Dividend (%)	-	-	-	-
Earnings Per Share (Rs.)	0.32	(0.12)	(0.77)	1.25*
Return on Networth	2.68%	(0.98%)	(1.89%)	1.09%
Book Value per Share	12.00	11.88	11.11 <sup>^</sup>	12.35 <sup>^</sup>

\*Non Annualized

<sup>^</sup>Calculated as Networth – (Subscription towards convertible warrants)/ No. of equity shares

**Note:** (i) EPS = Profit after tax / number of outstanding equity shares at the close of the year.  
 (ii) Source: Audited Annual Reports/ Statements certified by the Auditor.



**4.10. Pre and Post-Offer Shareholding Pattern of LTFL(based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under**

Shareholders' Category	Share holding/voting rights prior to the SPA/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Share holding/voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of shares	% <sup>^</sup>	No. of shares	% <sup>^^</sup>	No. of shares	%	No. of shares	%
<b>1. Promoter Group:</b>								
(a) Parties to the Agreement:								
- Mrs. Shruti Saraogi	88,500	17.70%	(88,500)	(1.68%)				
- Mrs. Sumitra Devi Almal	37,000	7.40%	(37,000)	(0.71%)				
(b) Promoters other than (a) above	-	-	-	-	-	-	-	-
<b>Total 1 (a+b)</b>	<b>1,25,500</b>	<b>25.10</b>	<b>(1,25,500)</b>	<b>(25.10)</b>	-	-	-	-
<b>2. Acquirers:</b>								
- Mr. Ankit Tayal			7,80,120	14.83%	13,67,600	26.00%	21,47,720	40.83%
- Mrs. Shivani Khera	Nil	0.00%	7,27,610	13.83%	Nil	0.00%	7,27,610	13.83%
- Mr. Hari Om Tayal	Nil	0.00%	8,31,375	15.81%	Nil	0.00%	8,31,375	15.81%
- Mrs. Gunvanti Jain	Nil	0.00%	9,36,395	17.80%	Nil	0.00%	9,36,395	17.80%
<b>Total 2</b>	<b>NIL</b>	<b>0.00%</b>	<b>32,75,500</b>	<b>62.27%</b>	<b>13,67,600</b>	<b>26.00%</b>	<b>46,43,100</b>	<b>88.27%</b>
<b>3. Parties to Agreement other than 1(a) &amp; 2</b>	-	-	-	-	-	-	-	-
<b>Total 3</b>	-	-	-	-	-	-	-	-
<b>4. Public (other than Parties to Agreement and Acquirers)</b>								
a. FIs/MFs/FIIs/Banks/SFIs:	-	-	-	-				
b. Others:								
<b>Total No. of Shareholders in Public Category i.e. 188, Total (4) (a+b)</b>	<b>3,74,500</b>	<b>74.90%</b>	-	-	(13,67,600)*	(26.00%)	6,16,900	11.73
<b>GRAND TOTAL (1+2+3+4)</b>	<b>5,00,000</b>	<b>100.00%</b>	-	-	-	-	<b>52,60,000</b>	<b>100.00%</b>

<sup>^</sup>Computed as a %age of pre preferential equity and voting share capital of LTFL.

<sup>^^</sup>Computed as a %age of Emerging Equity and Voting Share Capital of LTFL.

\*Includes 16,10,000 equity shares allotted to shareholders forming part of the public category pursuant to conversion of 16,10,000 convertible warrants on 24.03.2017

**5. OFFER PRICE & FINANCIAL ARRANGEMENTS:**

**5.1. Justification of Offer Price:**

**5.1.1.** The equity shares of the Target Company are listed at the MSEIL and the CSE only. The Symbol of LTFL is "LARK" on the MSEIL and the Scrip Code of LTFL is "022126" on the CSE. The marketable lot for equity share is 1 (One). This acquisition of shares is direct acquisition as per the regulation 3(1) and 4 of the SEBI (SAST) Regulations.

**5.1.2.** Since the equity shares of the Target Company are infrequently traded on the MSEIL and there has been no trading on the CSE for last many years, the equity shares of the Target Company are not frequently traded within the meaning of definition "frequently traded shares" under regulation 2(1)(j) of the SEBI (SAST) Regulations and therefore the Offer Price has been determined taking into account the parameters as set out under regulation 8 (2) of the SEBI (SAST) Regulations, as under:

Sr. No.	Particulars	Price (In Rs. per share)
1.	Negotiated Price under the SPA	10/-
2.	The Volume- Weighted Average Price paid or payable for acquisitions by the Acquirers during fifty- two (52) weeks immediately preceding the date of PA	Not Applicable
3.	Highest price paid or payable for acquisitions by the Acquirers during twenty-six (26) weeks immediately preceding the date of PA	Not Applicable
4.	The Volume-Weighted Average Market Price of shares for a period of sixty (60) trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	Not Applicable
5.	<b>Other Financial Parameters as at 31<sup>st</sup> March, 2016:</b>	
	Return on Net Worth (%)	(6.96%)
	Book Value Per Share	11.11
	Earnings Per Share	(0.77)

CA Abhishek Sharma, Proprietor of Abhishek Anand & Co, Chartered Accountants, (Membership No. 511896 and FRN No.: 014596C), having office at K-62, 1<sup>st</sup> Floor, Green Park, New Delhi- 110 016, Ph No.: 011-4604 6396/4604 5822, email: abhishek@abhishekanand.com, vide their certificate dated 24.03.2014 has stated that the fair value of the equity shares of Target Company is Rs. 3.70/- per equity share.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 12.50/-per equity share is justified in terms of regulation 8 (2) of the SEBI (SAST) Regulations.

**5.1.3.** There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

- 5.1.4.** As on date of this DLOF there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirers shall comply with regulation 18 of the SEBI (SAST) Regulations and all other applicable provisions of the SEBI (SAST) Regulations.
- 5.1.5.** 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 and would be notified to shareholders.

## **5.2. Financial arrangements:**

- 5.2.1 The maximum consideration payable by the Acquirers to acquire 13,67,600 fully paid-up equity shares at the Offer Price of Rs. 12.50/- (Rupees Twelve and Fifty Paise Only) per equity share, assuming full acceptance of the Offer would be Rs. 1,70,95,000/- (Rupees One Crore Seventy Lakhs Ninety Five Thousand Only).
- 5.2.2 As on the date of PA, the Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of their own sources/ net worth and no borrowings from any Bank and/ or Financial Institutions are envisaged. CA Abhishek Sharma, Proprietor of Abhishek Anand & Co, Chartered Accountants, having office at K-62, 1<sup>st</sup> Floor, Green Park, New Delhi- 110 016, Ph No.: 011-4604 6396/4604 5822, email: abhishek@abhishekanand.com have certified vide their certificate dated 24.03.2017 that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.
- 5.2.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account under the name and style of "LTFL- Open Offer Escrow Account" with HDFC Bank Limited, Central Plaza, 2/6, Sarat Bose Road, Kolkata-700 020 ("**Escrow Banker**") and made therein a cash deposit of Rs. 2,00,000 (Rupees Two Lakhs Only) and have executed a Bank Guarantee of Andhra Bank, carrying their operation from R.K. Puram Branch, New Delhi- 110022, in favour of the Manager to the Offer for Rs. 42,80,000/- (Rupees Forty Two Lakhs and Eighty Thousand Only) being more than 25% of the total consideration payable in the Open Offer, assuming full acceptance.
- 5.2.4 The Acquirers and have authorized the Manager to the Offer to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 5.2.5 Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

## **6. TERMS AND CONDITIONS OF THE OFFER:**

- 6.1.** The Draft Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of LTFL (except the parties to the SPA) whose name appear on the Register of Members, at the close of business hours on 08.05.2017 ("**Identified Date**").
- 6.2.** All owners of the shares, Registered or Unregistered (except the parties to the SPA) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer as per the procedure set out in Para 7 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.
- 6.3.** Accidental omission to dispatch this Draft LOF or the non-receipt or delayed receipt of this Draft LOF will not invalidate the Offer in anyway.
- 6.4.** Subject to the conditions governing this Offer, as mentioned in the Draft LOF, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

### **6.5. Locked-in Shares:**

There are no locked-in shares in LTFL except 47,60,000 equity shares allotted pursuant to preferential allotment dated 24.03.2017.

### **6.6. Eligibility for accepting the Offer:**

The Offer is made to all the public shareholders (except the parties to the SPA) whose names would appear in the register of shareholders on 08.05.2017 at the close of the business hours on 08.05.2017 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

## **6.7. Statutory Approvals and conditions of the Offer:**

- 6.7.1.** The Target Company vide an application dated 25.02.2016 had applied to the Reserve Bank of India ("RBI") for their approval for the proposed change in management of the Target Company, which was duly issued by the RBI on 22.07.2016 and was valid for a period of 6 months from the date of its issue i.e., uptill 21.01.2017. The Target Company is in the process of initiating the process to obtain an extension / re-approval from the RBI's for the proposed change in control of the Target Company. Hence as on the date of this DLOF, to the best of the knowledge and belief of the Acquirers, no statutory and other approvals are required in relation to the Open Offer, except that of the Reserve Bank of India ("RBI") under Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015 issued in terms of Notification No. DNBR (PD) CC. No. 065/03.10.001/2015-2016 dated 19.07.2015 is required for completing the Open Offer.
- 6.7.2.** The acceptance of equity shares proposed to be tendered by the non-resident shareholders, if any, is subject to receiving the necessary approval(s), if any, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto. In the event such approvals from the RBI are not submitted, the Acquirers reserve the sole right to reject the equity shares tendered by such shareholders in the Open Offer.
- 6.7.3.** As on the date of the DPS, to the best of the knowledge and belief of the Acquirers, there are no other statutory approvals and/ or consents required except as stated above. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.
- 6.7.4.** The Acquirers, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a PA will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS has appeared.
- 6.7.5.** In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations, will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.
- 6.7.6.** No approval is required from any bank or financial institutions for this Offer.
- 6.7.7.** The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

## **7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:**

- 7.1.** The Open offer will be implemented by the Acquirers through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window ("Acquisition Window") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI.
- 7.2.** BSE Limited ('BSE') shall be the Designated Stock Exchange for the purpose of tendering equity shares in the Open Offer.
- 7.3.** The facility for Acquisition of shares through Stock exchange Mechanism pursuant to an Open Offer shall be available on the BSE in the form of Separate Window ("**Acquisition Window**").
- 7.4.** The Acquirers have appointed JRK Stock Broking Private Limited ('Buying Broker') for the open offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made. The contact details of the buying broker are as mentioned below:

**Name: JRK Stock Broking Private Limited**

Address: Tobacco House, 1, Old Court House Corner, 3<sup>rd</sup> Floor, Room No.: 301, Kolkata- 700 001.

Tel No.: (033) 4017 4777, Fax No. (033) 4017 4777, Email Id: [info@jrkgroup.in](mailto:info@jrkgroup.in)

Contact Person: Mr. Birendra Kumar Jain

- 7.5.** All the shareholders who desire to tender their equity shares under the Open Offer will have to intimate their respective stock brokers ("Selling Brokers") within the normal trading hours of the Secondary Market, during the Tendering period.
- 7.6.** A separate Acquisition Window will be provided by the BSE to facilitate placing of sell orders. The Selling broker can enter orders for dematerialized as well as physical Equity shares.
- 7.7.** The cumulative quantity tendered shall be displayed on the Exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering period.
- 7.8.** Shareholders can tender their shares only through a Broker with whom the shareholder is registered as client.
- 7.9. Procedure for tendering shares held in Dematerialized Form.**

- a) The Equity shareholders who are holding the equity shares in demat form and who desire to tender their Equity shares in this offer shall approach their broker indicating to their broker the details of equity shares they intend to tender in Open Offer.

- b) The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.
- c) For custodian participant, orders for Demat equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- d) The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the opening of the Offer.
- e) Upon placing the order, the Selling Broker(s) shall provide transaction registration slip ("TRS") generated by the Exchange bidding system to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.
- f) The shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

**The shareholders holding Equity shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement. The shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.**

#### **7.10. Procedure to be followed by the registered Shareholders holding Equity Shares in physical form:**

- a) Shareholders who are holding physical equity shares and intend to participate in the offer will be required to approach their respective Selling Broker alongwith the complete set of documents for verification procedures to be carried out including the:
  - i. The form of Acceptance-cum-Acknowledgement duly signed (by all equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;
  - ii. Original Share Certificates;
  - iii. Valid shares transfer form(s) duly filled and signed by the transferors (i.e., by all registered Shareholders in same order and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirers;
  - iv. Self-attested copy of the Shareholder's PAN card;
  - v. Any other Relevant documents such as (but not limited to):
    - Duly attested power of attorney if any person other than the equity shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement;
    - Notarized Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased;
    - Necessary corporate authorizations, such as Board Resolutions etc, in case of companies.
  - vi. In addition to the above, if the address of the Shareholders has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: Valid Adhar Card, Voter Identity card or Passport.
- b) Selling Broker should place order on the Acquisition Window with the relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling broker shall provide a TRS generated by the Exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity shares tendered etc.
- c) After placement of order, as mentioned in paragraph 7.10(b), the Selling Broker must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, Original share certificate(s), valid share transfer form(s) and other documents (as mentioned in the paragraph 7.10(a)) either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscripted as '**Lark Trading and Finance Limited- Open Offer**'. One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- d) Shareholders holding physical Equity shares should note that the physical equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical equity shares by the Acquirers shall be subjected to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and till such time the BSE shall display such orders as "unconfirmed physical Bids". Once, Registrar to the Offer confirms the order it will be treated as "Confirmed Bids".

- e) In case any person has submitted Equity shares in physical form for dematerialization, such shareholders should ensure that the process of getting the equity shares dematerialized is completed well in time so that they can participate in the offer before the Offer Closing Date.

**7.11.** Modification/Cancellation of orders will not be allowed during the period the Offer is open.

**7.12.** The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the tendering period

**7.13. Procedure for Tendering the Shares in case of Non-Receipt of this Letter of Offer:**

Persons who have acquired equity shares but whose names do not appear in the register of members of the Target Company on the Identified date, or those who have not received the letter of offer, may also participate in this Offer. A shareholder may participate in the Offer by approaching their broker and tender Equity shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the Form of Acceptance-cum-Acknowledgement. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as on the Identified date. In case of non-receipt of this Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or Merchant Banker website ([www.vccorporate.com](http://www.vccorporate.com)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity shares of the Target Company. Alternatively in case of non-receipt of this Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client Id number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share certificates and Form SH-4 in case of shares being held in physical form. Such Shareholders have to ensure that their order is entered in the electronic platform to be made available by the BSE before the closure of the Offer.

**7.14.** Non- receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any shareholder, does not invalidate the Offer in any way.

**7.15.** The acceptance of the Offer made by the Acquirers is entirely at the discretion of the shareholders of the Target Company. The Acquirers does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in this Offer. The Acquirers will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the shareholders are advised to adequately safeguard their interest in this regard.

**7.16. Acceptance of Equity Shares**

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares (including demat Equity Shares, physical Equity Shares and locked-in Equity Shares) validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot.

**7.17. Settlement Process**

a. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favor of Clearing Corporation.

b. The shares shall be directly credited to the pool account of the Buying Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the pool account of the Buying Broker. In case of partial or non-acceptance of orders or excess pay-in, demat Shares shall be released to the securities pool account of the Selling Broker / custodian, post which, the Selling Broker would then issue contract note for the shares accepted and return the balance shares to the Shareholders. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned to the Shareholder(s) directly by Registrar to the Offer.

**7.18. Settlement of Funds/ Payment Consideration**

The settlement of fund obligation for demats and physical Equity Shares shall be effected through existing settlement accounts of Selling Broker. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Selling Broker / Custodian Participant will receive funds payout in their settlement bank account. The Selling Brokers / Custodian participants would pay the consideration to their respective clients. The funds received from Buying Broker by the Clearing Corporation will be released to the Selling Broker(s) as per secondary market pay-out mechanism. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder. In case of delay in receipt

of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

## 8. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, M/s. VC Corporate Advisors Private Limited at 31, Ganesh Chandra Avenue, 2<sup>nd</sup> Floor, Suite No.-2C, Kolkata-700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 23.05.2017 to 05.06.2017.

- i) Memorandum & Articles of Association of LTFL along with its Certificate of Incorporation.
- ii) Audited Annual Accounts of LTFL for the financial years ended 31.03.2014, 31.03.2015, 31.03.2016 and the certified and un-audited financial statements for the nine months period ended 31.12.2016.
- iii) Certificates from Mr. Abhishek Sharma, Proprietor of Abhishek Anand & Co, Chartered Accountants (Membership No. 511896 and FRN No.: 014596C), having office at K-62, 1<sup>st</sup> Floor, Green Park, New Delhi- 110 016, Ph No.: 011-4604 6396/4604 5822, email: abhishek@abhishekanand.com, certifying the networth of the Acquirers namely Mr. Ankit Tayal, Mrs. Shivani Khera and Mr. Hari Om Tayal.
- iv) Certificates from Mr. Pratap Vishnoi, Proprietor of Pratap Vishnoi & Associates, Chartered Accountants, (Membership No. 094890 and FRN No.: 015129N), having office at 311, Ushma Urja Apartment, C-58/2, Sector-62, Noida- 201301, Ph No.: +91 7838051700, email: info@mkgindia.com, certifying the networth of Mrs. Gunvanti Jain
- v) Certificate Mr. Abhishek Sharma, Proprietor of Abhishek Anand & Co, Chartered Accountants (Membership No. 511896 and FRN No.: 014596C), having office at K-62, 1<sup>st</sup> Floor, Green Park, New Delhi- 110 016, Ph No.: 011-4604 6396/4604 5822, email: abhishek@abhishekanand.com, certifying that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.
- vi) Certificate from Mr. Abhishek Sharma, Proprietor of Abhishek Anand & Co, Chartered Accountants (Membership No. 511896 and FRN No.: 014596C), having office at K-62, 1<sup>st</sup> Floor, Green Park, New Delhi- 110 016, Ph No.: 011-4604 6396/4604 5822, email: abhishek@abhishekanand.com, certifying the fair value of the equity shares of Target Company.
- vii) Copy of the letter received from HDFC Bank Limited dated 29.03.2017 confirming the required amount kept in the escrow account and marked lien in favour of Manager to the Offer.
- viii) The copy of Share Purchase Agreement dated 24.03.2017 between the Sellers and the Acquirers which triggered the Open Offer.
- ix) Copy of outcome of Board Meeting approving the conversion of 47,60,000 convertible warrants into equal number of equity shares.
- x) Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer, dated 24.03.2017.
- xi) Copy of the recommendations made by the Committee of Independent Director of the Target Company.
- xii) Copy of the Public Announcement dated 24.03.2017 and published copy of the Detailed Public Statement dated 03.04.2017 and Issue of Opening Public Announcement dated \_\_\_\_\_.
- xiii) Copy of SEBI Observation letter no. \_\_\_\_\_ dated \_\_\_\_\_.

## 9. DECLARATION BY THE ACQUIRERS:

In accordance with the regulation 25(3) of the SEBI (SAST) Regulations, the Acquirers accept full responsibility jointly and severally for the information contained in the Public Announcement & Detailed Public Statement and also for the obligations of the Acquirers laid down in the SEBI (SAST) Regulations and the Acquirers would be responsible for ensuring compliance with the SEBI (SAST) Regulations.

### ON BEHALF OF THE ACQUIRERS

SD/-

Ankit Tayal

SD/-

Shivani Khera

SD/-

Hari Om Tayal

SD/-

Gunvanti Jain

Place : Kolkata

Date : 06.04.2017