

DETAILED PUBLIC STATEMENT IN TERMS OF REGULATIONS 13(4), 14(3) AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 TO THE EQUITY SHAREHOLDERS OF
KUMBHAT FINANCIAL SERVICES LIMITED
Registered Office: Kumbhat Complex, 5th Floor, 29, Rattann Bazaar, Chennai, Tamil Nadu, 600003
Tel: +91 44 25388720 Fax: +91 44 25388720 Email: cs@kumbhatfinancialserviceslimited.com Website: www.kumbhatfinancialserviceslimited.com
Corporate Identification Number: L65991TN1993PLC024433
Contact Person: Mr. Sanjay Kumbhat, Managing Director

OPEN OFFER FOR ACQUISITION OF UP TO 35,75,000 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF KUMBHAT FINANCIAL SERVICES LIMITED ("TARGET COMPANY") BY MR. SUNIL KHETPALIA ("ACQUIRER 1"), MR. MANEESH PARMAR ("ACQUIRER 2") AND MR. RAVINDRAN R. ("ACQUIRER 3") (COLLECTIVELY REFERRED TO AS "ACQUIRERS") PURSUANT TO ALLOTMENT OF 90,00,000 EQUITY SHARES ON A PREFERENTIAL BASIS, REPRESENTING 26% OF FULLY PAID-UP EQUITY SHARE CAPITAL AND VOTING CAPITAL AS OF THE TENTH WORKING DAY FROM THE CLOSURE OF THE TENDERING PERIOD OF THE OPEN OFFER (i.e. 1,37,50,000 EQUITY SHARES "EMERGING VOTING SHARE CAPITAL"), FROM PUBLIC SHAREHOLDERS OF THE TARGET COMPANY, PURSUANT TO AND IN COMPLIANCE WITH THE REQUIREMENTS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED ("SEBI (SAST) REGULATIONS, 2011") ("OFFER" OR "OPEN OFFER").

THIS DETAILED PUBLIC STATEMENT ("DPS") IS BEING ISSUED BY SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, THE MANAGER TO THE OFFER ("MANAGER"), FOR AND ON BEHALF OF THE ACQUIRERS IN COMPLIANCE WITH REGULATION 13(4) OF THE SEBI (SAST) REGULATIONS, PURSUANT TO THE PUBLIC ANNOUNCEMENT ("PA") FILED WITH BSE LIMITED ("BSE") ON MARCH 31, 2021 IN TERMS OF REGULATIONS 31(1) AND 4 OF THE SEBI (SAST) REGULATIONS. THE PA WAS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND SENT TO THE TARGET COMPANY AT ITS REGISTERED OFFICE ON MARCH 31, 2021, IN TERMS OF REGULATION 14(2) OF THE SEBI (SAST) REGULATIONS.

- For the purpose of this DPS, the following terms would have the meaning assigned to them herein below:
- "Emerging Voting Share Capital" shall mean the total voting equity share capital of the Target Company on a fully diluted basis as of the 10th (tenth) Working Day from the closure of the Tendering Period of the Open Offer, i.e. 1,37,50,000 Equity Shares;
 - "Equity Shares" or "Shares" shall mean the fully paid-up equity shares of face value of ₹ 10 (Rupees Ten only) each of the Target Company;
 - "Public Shareholders" shall mean all the equity shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, except: (i) Acquirers and (ii) Promoter and Promoter Group;
 - "Preferential Allotment" shall mean allotment of 90,00,000 Equity Shares of the Target Company at par for cash to the Acquirers in accordance with SEBI (ICDR) Regulations, as amended, subject to shareholders and regulatory approvals;
 - "Promoter and Promoter Group" or "Sellers" shall mean Late Mr. Ajit Kumbhat, Mr. Vinay Kumbhat, Mr. Sanjay Kumbhat, Mrs. Pushpa Kumbhat, Mr. Satish Kumbhat, Mr. Dilip Kumbhat, Mr. Vardhaman Parekh, Mr. Shanti Kumbhat, Mrs. Prem Kumbhat, Mrs. Madhu Kumbhat and Mrs. Shakuntala Kumbhat.
 - "Sale Shares" means 6,51,000 Equity Shares of the Target Company held by the Sellers on the SPA Date, constituting 4.73% of Emerging Voting Share Capital of the Target Company;
 - "SPA" means the share purchase agreement dated March 31, 2021 executed between the Acquirers and the Sellers, pursuant to which the Acquirers have agreed to acquire the Sale Shares at a price of ₹ 10/- (Ten only) per Equity Share;
 - "SPA Date" means the execution date of the SPA;
 - "Tendering Period" means the period of 10 (ten) Working Days during which the Public Shareholders may tender their Equity Shares in acceptance of the Offer, which shall be disclosed in the Letter of Offer;
 - "Working Day" has the same meaning as ascribed to it in the SEBI (SAST) Regulations.

- ACQUIRERS, SELLERS, TARGET COMPANY AND OFFER**
INFORMATION ABOUT THE ACQUIRER 1:
1. Acquirer 1, aged 51 years, s/o Mr. Parasram Khetpalia is residing at Flat No. 202, Prince Regent Apartments, 40, Thambusamy Road, Sylvan Lodge Colony, Kilpauk, Chennai- 600010, India; Tel: +91 98840 47848; Email: sunilkheta2010@gmail.com.
2. Acquirer 1 is holding a Permanent Account Number- AAFPK9584N.
3. Acquirer 1 is under matriculate.
4. The networth of Acquirer 1 as on December 31, 2020 is ₹ 7,583.01 Lacs only (Rupees Seventy Five Crores Eighty Three Lacs One Thousand Only) and the same is certified by J Rajesh Samdaria, Partner of Rajesh Samdaria and Associates, Chartered Accountants (Membership No. 205938), Firm Registration No.: (007662S), having office at No. 1, Pandaram Street, Purasawalkam, Chennai- 600084, India; Email id: rajeshsamdaria@yahoo.co.in; vide certificate dated March 23, 2021.
5. Acquirer 1 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended ("SEBI Act") or under any other Regulation made under the SEBI Act.
6. Acquirer 1 confirms that he is not categorized as a "willful defaulter" in terms of Regulation 2(1) (ze) of the SEBI (SAST) Regulations.
7. Acquirer 1 confirms that he is not declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
8. Acquirer 1 confirms that currently there are no pending litigations pertaining to securities market where he is made party to.
9. Acquirer 1 doesn't belong to any group.
10. Acquirer 1 is not related to Acquirer 2 & 3.
11. The details of the ventures promoted/controlled/managed by the Acquirer 1 is given hereunder:

Sr. No.	Name of the Entities	Nature of Interest	Percentage stakeholding
1.	KLP Projects Private Limited	Director & Shareholder	41%
2.	Aadhi Enterprises Private Limited	Director & Shareholder	38%
3.	Edson Energy India Private Limited	Director & Shareholder	60%
4.	Sanklecha Infra Projects Private Limited	Director	Nil
5.	KLP Townships Private Limited	Director & Shareholder	43.50%
6.	KLP Facility Management Services Private LLP	Designated Partner	50%

- (Source: www.mca.com)
- Except as mentioned under point 1.11 above, Acquirer 1 confirms that he does not hold directorships in any company, including a listed company.
 - Acquirer 1 hereby undertakes and confirms that the entities mentioned under point # 1.11 above are not participating or interested or acting in concert in this Open Offer.
 - Acquirer 1 hereby undertakes and confirms that the entities mentioned in point # 1.11 above are not appearing in the willful defaulters list of Reserve Bank of India and are not debarred by SEBI from accessing capital markets as on date.
 - Acquirer 1 undertakes not to sell the equity shares of the Target Company held by him during the "Offer Period" in terms of Regulation 25(4) of the Takeover Regulations.
 - There are no Person Acting in Concert ("PAC") along with Acquirer 1 in relation to the Offer within the meaning of Regulation 2(1)(q)(i) of the Takeover Regulations.
 - Acquirer 1 confirms that he is not related to the Promoters, Directors or key employees of the Target Company in any manner.
 - INFORMATION ABOUT THE ACQUIRER 2:**
2. Acquirer 2, aged 44 years, s/o Mr. Kundanmalji Parmar is residing at 6D, Prince Paradise Apartment, 75, Jermiah Road, Vepery, Chennai- 600007, India; Tel: +91 99620 81500; Email: manshparmar@gmail.com.
2. Acquirer 2 is holding a Permanent Account Number- AAPPK2645P.
2. Acquirer 2 is under matriculate.
4. The networth of Acquirer 2 as on December 31, 2020 is ₹ 7,325.18 Lacs only (Rupees Seventy Three Crores Twenty Five Lacs Eighteen Thousand Only) and the same is certified by J Rajesh Samdaria, Partner of Rajesh Samdaria and Associates, Chartered Accountants (Membership No. 205938), Firm Registration No.: (007662S), having office at No. 1, Pandaram Street, Purasawalkam, Chennai- 600084, India; Email id: rajeshsamdaria@yahoo.co.in; vide certificate dated March 23, 2021.
5. Acquirer 2 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended ("SEBI Act") or under any other Regulation made under the SEBI Act.
6. Acquirer 2 confirms that he is not categorized as a "willful defaulter" in terms of Regulation 2(1) (ze) of the SEBI (SAST) Regulations.
7. Acquirer 2 confirms that he is not declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
8. Acquirer 2 confirms that currently there are no pending litigations pertaining to securities market where he is made party to.
9. Acquirer 2 doesn't belong to any group.
10. Acquirer 2 is not related to Acquirer 1 & 3.
11. The details of the ventures promoted/controlled/managed by the Acquirer 2 is given hereunder:

Sr. No.	Name of the Entities	Nature of Interest	Percentage stakeholding
1.	KLP Projects Private Limited	Director & Shareholder	41%
2.	Aadhi Enterprises Private Limited	Director & Shareholder	38%
3.	Parmar Remedies Private Limited	Director & Shareholder	50%
4.	Sanklecha Infra Projects Private Limited	Director	Nil
5.	KLP Townships Private Limited	Director & Shareholder	43.50%
6.	KLP Facility Management Services Private LLP	Designated Partner	50%

- (Source: www.mca.com).
- Except as mentioned under point 1.11 above, Acquirer 2 confirms that he does not hold directorships in any company, including a listed company.
 - Acquirer 2 hereby undertakes and confirms that the entities mentioned under point # 1.11 above are not participating or interested or acting in concert in this Open Offer.
 - Acquirer 2 hereby undertakes and confirms that the entities mentioned in point # 1.11 above are not appearing in the willful defaulters list of Reserve Bank of India and are not debarred by SEBI from accessing capital markets as on date.
 - Acquirer 2 undertakes not to sell the equity shares of the Target Company held by him during the "Offer Period" in terms of Regulation 25(4) of the Takeover Regulations.
 - There are no Person Acting in Concert ("PAC") along with Acquirer 2 in relation to the Offer within the meaning of Regulation 2(1)(q)(i) of the Takeover Regulations.
 - Acquirer 2 confirms that he is not related to the Promoters, Directors or key employees of the Target Company in any manner.
 - INFORMATION ABOUT THE ACQUIRER 3:**
3. Acquirer 3, aged 56 years, s/o Mr. Ramachandran having permanent residence at residing at 19, VV Vanniyan Street, Virudhunagar- 626001, and address for communication at Flat No.201, First Floor, Plot No. 13 (New), 'G' Block, 19th Street, Anna Nagar, (West), Chennai - 600 040, Tamil Nadu, India; Tel: +91 88255 37529; Email: ravindrann1001@gmail.com.
3. Acquirer 3 is holding a Permanent Account Number- ADPRP7205A.
3. Acquirer 3 has completed his Bachelors of Commerce from Madurai Kamraj University and Master of Business Administration from Annamalai University. He also a Certified Associate of the Indian Institute of Bankers.
4. The networth of Acquirer 3 as on December 31, 2020 is ₹ 173.63 Lacs only (Rupees One Crore Seventy Three Lacs Sixty Three Thousand Only) and the same is certified by J Rajesh Samdaria, Partner of Rajesh Samdaria and Associates, Chartered Accountants (Membership No. 205938), Firm Registration No.: (007662S), having office at No. 1, Pandaram Street, Purasawalkam, Chennai- 600084, India; Email id: rajeshsamdaria@yahoo.co.in; vide certificate dated March 23, 2021.
5. Acquirer 3 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended ("SEBI Act") or under any other Regulation made under the SEBI Act.
6. Acquirer 3 confirms that he is not categorized as a "willful defaulter" in terms of Regulation 2(1) (ze) of the SEBI (SAST) Regulations.
7. Acquirer 3 confirms that he is not declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
8. Acquirer 3 confirms that currently there are no pending litigations pertaining to securities market where he is made party to.
9. Acquirer 3 doesn't belong to any group.
10. Acquirer 3 is not related to Acquirer 1 & 2.
11. Acquirer 3 has not promoted any ventures as on the date and confirms that he does not hold directorships in any company, including a listed company.
12. Acquirer 3 undertakes not to sell the equity shares of the Target Company held by him during the "Offer Period" in terms of Regulation 25(4) of the Takeover Regulations.
13. There are no Person Acting in Concert ("PAC") along with Acquirer 3 in relation to the Offer within the meaning of Regulation 2(1)(q)(i) of the Takeover Regulations.
14. Acquirer 3 confirms that he is not related to the Promoters, Directors or key employees of the Target Company in any manner.

INFORMATION ABOUT THE SELLERS

Sr. No.	Name of the Sellers	Address	Transaction through SPA/ market	Details of shares/voting rights held by the Seller
				Pre Transaction
				Number %
1.	S Late Mr. Ajit Kumbhat	5A, Parasu Street, Kilpauk, Chennai- 600010	SPA	1,84,900 1.34
2.	Vinay Kumbhat	Doshi Royale Block- A B Bungalow, 234 Kilpauk Garden Road, Chennai- 600010		1,57,300 1.14
3.	Sanjay Kumbhat	Doshi Royale Block- A B Bungalow, 234 Kilpauk Garden Road, Chennai- 600010		74,600 0.54
4.	Pushpa Kumbhat	Doshi Royale Block- A B Bungalow, 234 Kilpauk Garden Road, Chennai- 600010		60,000 0.44

5.	Satish Kumbhat	5A, Parasu Street, Kilpauk, Chennai- 600010	50,500 0.37
6.	Dilip Kumbhat	13/18, Lamech Avenue, Spurtank Road, Chetpet, Chennai 600031	77,400 0.56
7.	Vardhaman Parekh	T 13, 4 th main road, Anna Nagar, Chennai- 600040	16,600 0.12
8.	Shanti Kumbhat	5A, Parasu Street, Kilpauk, Chennai- 600010	14,700 0.11
9.	Prem Kumbhat	5A, Parasu Street, Kilpauk, Chennai- 600010	10,800 0.08
10.	Madhu Kumbhat	5A, Parasu Street, Kilpauk, Chennai- 600010	3,400 0.02
11.	Shakuntala Kumbhat	5A, Parasu Street, Kilpauk, Chennai- 600010	800 0.01
TOTAL			6,51,000 4.73

- * calculated on the Emerging Voting Share Capital of the Target Company
\$ Out of 1,84,900 shares originally held by Late Mr. Ajit Kumbhat, 64,900 shares are in physical form and are currently in process of getting transmitted to his legal heir Mrs. Madhu Kumbhat. Further, 1,20,000 shares held by him in the demat account of Late Mr. Ajit Kumbhat shall also be transferred to the account of Mrs. Madhu Kumbhat upon the release of the lock-in restrictions imposed by BSE.
Post completion of all Open Offer formalities the Sellers shall be reclassified as per Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
5. **INFORMATION ABOUT THE TARGET COMPANY**
5.1 The Target Company was incorporated on February 18, 1993 under the Companies Act 1956 as "Kumbhat Financial Services Limited" vide Certificate of Incorporation issued by Registrar of Companies, Tamil Nadu. The Company Identification Number of the Target Company is L65991TN1993PLC024433.
5.2 The Registered Office of the Target Company is situated at Kumbhat Complex, 5th Floor, 29, Rattann Bazaar, Chennai, Tamil Nadu, 600003; Tel: +91 44 25388720; Fax: +91 44 25388720; Email: cs@kumbhatfinancialserviceslimited.com; Website: www.kumbhatfinancialserviceslimited.com.
5.3 The Equity Shares of Target Company are currently listed only on BSE Limited and having Scrip Code 526869. The ISIN of Equity Shares of Target Company is INE795E01019.
5.4 Target Company is a Non Banking Finance Company ("NBFC") registered with RBI vide certificate number B-07.00061.
5.5 The Target Company being a NBFC is presently engaged in the business of providing loans and advances. (Source: Website of the Company)
5.6 The Authorized Share Capital of the Target Company is ₹ 10,00,00,000 (Rupees Ten Crores) comprising of 1,00,00,000 Equity Shares of face value ₹ 10 each. The Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 4,75,00,000 (Rupees Four Crores Seventy Five Lacs only) comprising of 47,50,000 Equity Shares of face value ₹ 10 each. Board of Directors of the Target Company, subject to approval of the shareholders, has approved increase in Authorized Share Capital to ₹ 15,00,00,000 (Rupees Fifteen Crores) comprising of 1,50,00,000 Equity Shares of face value ₹ 10 each. Further, Board of Directors of the Target Company, subject to approval of the shareholders, has approved allotment of 90,00,000 Equity Shares on preferential basis at par for cash to the Acquirers.
5.7 As on the date of this DPS, there are no outstanding partly paid up shares of the Target Company. (Source: www.bseindia.com)
5.8 The Equity Shares of the Target Company are infrequently traded on BSE within the meaning of explanation provided in Regulation 2(i) of the SEBI (SAST) Regulations.
5.9 The brief audited financials of the Target Company for the financial years ended March 2018, 2019 and 2020 and limited review for the period ended December 31, 2020 are as under:

Particulars	Limited reviewed December 31, 2020	For the financial year ended March 31,		
		2020	2019	2018
Total Income	18.46	50.97	46.08	46.67
Profit/(Loss) After Tax	7.38	21.77	(61.37)	2.06
Earnings Per Share (EPS)- Basic and Diluted (%)	0.16	0.46	(1.29)	0.04
Shareholders Fund	520.59	513.22	491.45	552.82

- (Source: www.bseindia.com)
- 6. DETAILS OF THE OFFER**
6.1 This Offer is being made to all the equity shareholders of Target Company other than Acquirers and Promoter Group of the Target Company to acquire up to 35,75,000 (Thirty Five Lacs Seventy Five Thousand only) fully paid Equity Shares of the Target Company, of face value ₹ 10 each ("Offer Shares") representing 26% (Twenty Six per cent) of Emerging Voting Share Capital of the Target Company, at a price of ₹ 10/- (Rupees Ten only) per Equity Share ("Offer Price"), aggregating to ₹ 3,57,50,000 (Three Crores Fifty Seven Lacs Fifty Thousand only), ("Offer Size").
6.2 The Offer Price is payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
6.3 This Offer is not conditional on any minimum level of acceptance and is not a competing offer in terms of Regulations 19 and 20 respectively of the SEBI (SAST) Regulations.
6.4 There are no conditions as stipulated in the SPA, the meeting of which would be outside the reasonable control of the Acquirers, and in view of which the Offer might be withdrawn under Regulation 23(1) of the SEBI (SAST) Regulations.
6.5 The Equity Shares of the Target Company will be acquired by the Acquirers as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereon.
6.6 To the best of the knowledge and belief of the Acquirers, as on the date of this DPS, there are no statutory or other approvals required to implement the Offer other than as indicated in section VI of this DPS. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal, a public announcement will be made within 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, BSE and to the Target Company at its registered office.
6.7 The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this DPS. The Manager to the Offer further declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.
6.8 The Acquirers do not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its board of directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through special resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations.
6.9 To the extent the post offer holding of the Acquirers, exceeds the maximum permissible non-public shareholding in terms of Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR, Regulations") read with Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto ("SCRR"), the Acquirers undertake to reduce their shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and SEBI LODR Regulations.
6.10 If the Acquirers acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the 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 shares of the Target Company in any form.

- II. BACKGROUND TO THE OFFER**
1. This Open Offer is being made pursuant to the SPA and Preferential Allotment in accordance with Regulations 31(1) and 4 of the SEBI (SAST) Regulations and SEBI (ICDR) Regulations as a result of a direct substantial acquisition of Equity Shares and voting rights of the Target Company by the Acquirers.
2. On March 31, 2021, the Acquirers have entered into a SPA with Seller to acquire 651000 (Six Lakhs Fifty One Thousand) Equity Shares ("SPA Shares") representing 4.73% of Emerging Voting Share Capital of the Target Company, at a price of ₹ 10/- (Ten only) per Equity Share of the Target Company aggregating to ₹ 65,10,000/- (Rupees Sixty Five Lacs Ten Thousand only) payable in cash as below:
Salient features of SPA:
- In the event of non-compliance of any provisions of the SEBI (SAST) Regulations, the SPA shall not be acted upon by the SPA Seller or Acquirers.
- Subject to shareholders approval, the Seller shall, post completion of takeover formalities, relinquish the management control in favour of the Acquirers
- For some of the above terms more specifically defined in the SPA and other details of SPA, Public Shareholders of the Target Company may refer SPA, which would be available to them for inspection during the Tendering Period at the office of the Manager to the Offer.
3. This mandatory Offer is being made by the Acquirers, in compliance with Regulations 3(1) & 4 and other applicable provisions of the SEBI (SAST) Regulations.
4. The primary objective of the Acquirers for the above mentioned acquisition is substantial acquisition of shares and voting rights in the Target Company and management control of the Target Company. Acquirers do not have any plan to make major changes in existing line of business of the Target Company.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed equity shareholding of the Acquirers in the Target Company and the details of the acquisition are as follows:

Details	Acquirer 1	Acquirer 2	Acquirer 3	Total
Number of Equity Shares and %	Number of Equity Shares and %	Number of Equity Shares and %	Number of Equity Shares and %	
Shareholding as on the PA date	NIL	NIL	NIL	NIL
Equity Shares acquired through SPA	309000 (2.25%)	309000 (2.25%)	33000 (0.24%)	651000 (4.73%)
Shares acquired between the PA date and the DPS date	NIL			
Shares acquired through Preferential Allotment	42,75,000 (31.09%)	42,75,000 (31.09%)	4,50,000 (3.27%)	90,00,000 (65.45%)
Equity Shares proposed to be acquired in the Offer (assuming full acceptance)	16,98,000 (12.35%)	16,98,000 (12.35%)	179000 (1.30%)	35,75,000 (26%)
Post Offer Shareholding on diluted basis on 10th working day after closing of Tendering period	6282000 (45.69%)	6282000 (45.69%)	662000 (4.81%)	13226000 (96.19%)

- * calculated on the Emerging Voting Share Capital of the Target Company
IV. OFFER PRICE
1. The Equity Shares of the Target Company are listed on BSE Limited only.
2. The annualized trading turnover in the Equity Shares of the Target Company on BSE based on trading volume during the twelve calendar months (i.e. March 1, 2020 to February 28, 2021) prior to the month of PA is as given below:

Stock Exchange	Total no. of Equity Shares traded during the twelve calendar months prior to the month of PA	Total no. of listed Equity Shares	Annualized trading turnover (as % of Equity Shares listed)
BSE	19811	47,50,000	0.42

- (Source: www.bseindia.com)
- Based on the information provided in point above, the equity shares of the Target Company are infrequently traded on the BSE within the meaning of explanation provided in Regulation 21(i) of the SEBI (SAST) Regulations.
 - The Offer Price of ₹ 10/- (Rupees Ten only) is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, being the highest of the following:

Sr. No.	Particulars	Price (in ₹ per Equity Share)
a)	Highest Negotiated price per Equity Share under SPA.	10
b)	Offer Price paid for Preferential Allotment	10
c)	The volume-weighted average price paid or payable for acquisition, by the Acquirers, during the fifty two weeks immediately preceding the date of PA;	Not Applicable
d)	The highest price paid or payable for any acquisition, by the Acquirers, during the twenty six weeks immediately preceding the date of PA.	Not Applicable
e)	The volume-weighted average market price of shares for a period of sixty 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
f)	Where the shares are not frequently traded, the price determined by the Acquirers and the Manager taking into account valuation parameters per Equity Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	9.64
Other Financial Parameters as at March 31, 2020		
Return on Networth (%)		4.24
Book Value per share (₹)		10.38
Earnings per share (Diluted) (₹)		0.46

- The Offer Price is higher than the highest of the amounts specified in the table in paragraph 4 above. Therefore, in terms of Regulation 8(2) of the SEBI (SAST) Regulations, the Offer Price is justified.
- There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.
- In view of the above parameters considered and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹ 10 (Rupees Ten only) per equity share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.

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

- V. FINANCIAL ARRANGEMENTS**
1. Assuming full acceptance, the total funds requirement to meet this Offer is ₹ 3,57,50,000/- (Three Crores Fifty Seven Lacs Fifty Thousand only).
2. The liquid assets of Acquirer 1 as on December 31, 2020 is ₹ 169.80 Lacs only (Rupees One Crore Sixty Nine Lacs Eighty Thousand Only) and the same is certified by J Rajesh Samdaria, Partner of Rajesh Samdaria and Associates, Chartered Accountants (Membership No. 205938), Firm Registration No.: (007662S), having office at No. 1, Pandaram Street, Purasawalkam, Chennai- 600084, India; Email id: rajeshsamdaria@yahoo.co.in; vide certificate dated March 23, 2021.
3. The liquid assets of Acquirer 2 as on December 31, 2020 is ₹ 169.80 Lacs only (Rupees One Crore Sixty Nine Lacs Eighty Thousand Only) and the same is certified by J Rajesh Samdaria, Partner of Rajesh Samdaria and Associates, Chartered Accountants (Membership No. 205938), Firm Registration No.: (007662S), having office at No. 1, Pandaram Street, Purasawalkam, Chennai- 600084, India; Email id: rajeshsamdaria@yahoo.co.in; vide certificate dated March 23, 2021.
4. The liquid assets of Acquirer 3 as on December 31, 2020 is ₹ 17.90 Lacs only (Rupees Seventeen Lacs Ninety Thousand Only) and the same is certified by J Rajesh Samdaria, Partner of Rajesh Samdaria and Associates, Chartered Accountants (Membership No. 205938), Firm Registration No.: (007662S), having office at No. 1, Pandaram Street, Purasawalkam, Chennai- 600084, India; Email id: rajeshsamdaria@yahoo.co.in; vide certificate dated March 23, 2021.
5. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirers have opened an escrow cash account bearing Account No: 000405126434 ("Escrow Cash Account") with ICICI Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at ICICI Bank Tower, Near Chakk Circle, Old Padra Road, Vadodra, 390 007, Gujarat, India and acting for the purpose of this agreement through its branch situated at ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Misty Bhavan, Dinswath Vachha Road, Backbay Reclamation, Churchgate, Mumbai - 400020 and have made a cash deposit of ₹ 3,57,50,000 (Three Crores Fifty Seven Lacs Fifty Thousand only) in the Escrow Cash Account. The cash deposited in Escrow Cash Account represents 100% of the total consideration payable to the Equity Shareholders under this Offer. The Acquirers have empowered the Manager to the Offer to operate and to realize the value of the Escrow Cash Account in terms of the SEBI (SAST) Regulations.
6. The Acquirers have confirmed that they have adequate financial resources to meet their obligations under the Open Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.
7. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirers, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
8. Based on the above, Saffron Capital Advisors Private Limited, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to implement the Open Offer in full accordance with the SEBI (SAST) Regulations.

- VI. STATUTORY AND OTHER APPROVALS**
1. The acquisition of Offer Shares is subject to receipt of prior approval from RBI under "Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015" in terms of RBI Notification No. DNBR. (PD) 029/CGM(CDS)-2015 dated July 09, 2015 for transfer of management and control of Non-Banking Finance Company. The Target Company is in process of making application with Reserve Bank of India, Chennai branch for the transfer of management and control of the Target Company. The approval is currently awaited.
2. Except as aforesaid, to the best of the knowledge of the Acquirers, there are no other statutory approvals required by the Acquirers to complete this Offer. However, in case of any such statutory approvals are required by the Acquirers at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such statutory approvals.
3. If any of the public shareholders of the Target Company that are not resident in India (such NRIs, OCBs and Fils) require any approvals inter alia from the Reserve Bank of India or any regulatory body for the transfer any Equity Shares to the Acquirers, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If any such approval is not submitted, the Acquirers reserve the right to reject the Equity Shares tendered by such shareholders that are not resident in India. Subject to the receipt of statutory and other approvals, if any, the Acquirers shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
4. The Acquirers shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
5. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
6. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if the approvals mentioned in paragraph VI (1) are not satisfactorily complied with or any of the statutory