

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 **AMARNATH SECURITIES LIMITED** ("**Target Company**")/ "**ASL**". If you require any clarifications about the action to be taken, you may consult your Stock Broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed (s) to the Member of Stock Exchange through whom the said sale was effected.*

OPEN OFFER ("Offer")

BY

Mr. Omkar Pravin Herlekar ("Acquirer")

Residing at Vrindavan Bungalow, Juvili Gaon, Kulgaon, Near Z P School, Badlapur East, Thane-421503, Maharashtra; **Tel. No.:** 0251-2697340; **Email:** omkar.herlekar@gmail.com

TO ACQUIRE

up to 7,80,052 Equity Shares of Rs. 10/- each at an Offer Price per equity share of Rs 10/- each payable in cash, representing 26% of the total paid up equity share capital/ voting share capital pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof

OF

AMARNATH SECURITIES LIMITED

Registered Office: 1/ 104, Sarthak, Opp. C. T. Centre, B/H. Swastik Cross Road, C. G. Road, Ahmedabad - 380009; **Tel. No. :** 079 3061 3939; **Fax No.:** 079 6605 8619,

Email: amarnathsecurities@gmail.com; **Website:** www.amarnathsecurities.com

ATTENTION:

1. The Offer is being made pursuant to the provisions of Regulation 3(1) and Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.
2. This Open Offer and acquisition of shares through SPA and subsequently change of Management is subject to the prior approval of RBI and subject to other statutory approvals required or become applicable prior to completion of this offer and this offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date. In case the approval from RBI is not received in time, the Acquirer intends to go ahead with the Offer and complete the open offer process. However, the acquisition under SPA and change of Management will be effected only after the receipt of RBI approval.
3. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
4. **There has been no competing offer as on the date of this Draft Letter of Offer.**
5. **If there is competing offer, the public offer under all the subsisting bids opens and closes on the same date.**
6. Upward revision/withdrawal, if any, of the Offer would be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Acquirer is permitted to revise the Offer Size and/or Offer Price upwards only at any time prior to the commencement of the last three working days before the commencement of the Tendering Period **i.e. Monday July 19, 2016**. The same price will be payable by the Acquirer for all the shares tendered anytime during the Tendering Period.
7. A copy of Public Announcement ("**PA**"), Detailed Public Statement ("**DPS**") and this Draft Letter of Offer ("**DLOO**") along with Form of Acceptance cum Acknowledgement is also available on SEBI website: www.sebi.gov.in

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 Hem Securities Ltd.	
HEM SECURITIES LIMITED SEBI Registration No. : INM000010981 14/15, Khatau Bldg., 1 st Floor, 40, Bank Street, Fort, Mumbai – 01, India Tel. No.: 022- 49060000 Fax No.: 022- 22625991 Contact Person.: Mrs. Menka Jha Email.: ib@hemonline.com	SYSTEM SUPPORT SERVICES 209, Shivai Industrial Estate, 89, Andheri Kurla Road, Saki Naka, Mumbai- 400 072 Tel. No.: 022-28500835 Fax No.: 022-28501438 Contact Person: Mr. Mahendra Mehta / Mr. Zoeb Sutarwala Email.: syss72@yahoo.com
OFFER OPENS ON: MONDAY, JULY 19, 2016	OFFER CLOSES ON: MONDAY, AUGUST 01, 2016

TENTATIVE SCHEDULE OF ACTIVITY

Sr. No.	Activity	Day and Date
1.	Date of Public Announcement	Thursday, May 26, 2016
2.	Date of publication of the DPS	Thursday, June 02, 2016
3.	Identified Date*	Monday, July 04, 2016
4.	Date by which Final Letter of offer will be dispatched to the Shareholders	Tuesday, July 12, 2016
5.	Last date for upward revision of Offer Price and/or Offer Size	Wednesday, July 13, 2016
6.	Last date by which Board of the Target shall give its Recommendation	Friday, July 15, 2016
7.	Offer Opening Public Announcement	Monday, July 18, 2016
8.	Date of Commencement of Tendering Period	Tuesday, July 19, 2016
9.	Date of Closing of Tendering Period	Monday, August 01, 2016
10.	Date by which all requirements including payment of consideration would be completed	Tuesday, August 16, 2016

(*) Date falling on the 10th working day prior to the commencement of the tendering period, for the purposes of determining the public shareholders of the Target Company to whom the Letter of Offer shall be sent.

RISK FACTORS

Given below are the risks related to the transaction, the Open Offer and the probable risk involved in association with the Acquirer.

Risk Factors relating to the Proposed Offer

1. The Target Company is a Non-Banking Finance Company registered with the Reserve Bank of India. In cases of any acquisition/ transfer of control of NBFC the requirement for obtaining prior approval of RBI has mandated vide its circular DNBS (PD) CC.No.376/03.10.001/2013-14 dated May 26, 2014. The Target Company being an NBFC registered with RBI, this Open Offer and acquisition of shares through SPA and subsequently change of Management is subject to the prior approval of RBI.
2. To the best of knowledge of the Acquirer, no statutory approvals are required other than as stated above, however; it will be subject to all statutory approvals that may become applicable at a later date. The Acquirer reserve the right to withdraw the Offer in accordance with Regulation 23 (1) (a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.
3. If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer. This Offer is subject to receipt of the requisite RBI approval, if any, for acquisition of Equity Shares by the Acquirer from NRIs/OCBs.
4. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
5. Pursuant to regulation 23(1) (c) of the Takeover Regulations, in case any of the terms of the Share Purchase Agreement dated May 26, 2016 (which are beyond the control of the Acquirer) are not fulfilled and the Share Purchase Agreement is rescinded, the Acquirer may apply to SEBI for withdrawal of open offer under regulation 23(1)(d) of the Takeover Regulations.
6. The Sale Shares entered through the Share Purchase Agreement will be held in a separate account maintained/operated by the Manager to the Offer until the period as prescribed by the SEBI (SAST) Regulations or any other regulation for completion of the Open Offer.
7. Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period
8. In the event of over-subscription to the offer, the acceptance will be on a proportionate basis hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
9. This Offer is subject to completion risks as would be applicable to similar transactions.

Risks involved in association with the Acquirer

1. The Acquirer makes no assurance with respect to financial performance of the Target Company.
2. The Acquirer makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.
3. The Acquirer makes no assurance of market price of shares of the Target Company during or after the offer.
4. The Acquirer has sufficient means to fulfill the financial obligation of this Open Offer through the internal resources only.

5. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Draft Letter of Offer (**DLOO**)/ Detailed Public Statement (**DPS**) /Public Announcement (**PA**) and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of ASL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of ASL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Shareholder's participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to “Rs.” / “INR” / “₹” are to Indian Rupee(s), the official currency of India.

In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and /or regrouping.

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1. DEFINITIONS/ABBREVIATIONS

The following definitions apply through this document, unless the context requires otherwise:

Sr. No	Term	Definition/Abbreviation
1.	Acquirer	Mr. Omkar Pravin Herlekar
2.	Board of Directors	Board of Directors of the Target Company
3.	BSE	BSE Limited, Mumbai
4.	Book Value Per Share	[Equity Capital + Free Reserve (excluding Revaluation Reserve) - Debit balance in Profit & Loss A/c – Misc expenditure not written off] / No. of Equity Shares
5.	CDSL	Central Depository Services (India) Limited
6.	Closure of the Tendering Period	Monday, August 01, 2016
7.	Depositories	CDSL and NSDL
8.	Companies Act	The Companies Act, 2013, as amended from time to time
9.	DLOO	Draft Letter of Offer filed with SEBI on Thursday, June 09, 2016
10.	DPS or Detailed Public Statement	Detailed Public Statement appeared in the newspapers on Thursday, June 02, 2016
11.	Earnings Per Share / EPS	Profit After Tax available to Equity Shareholders / Weighted

Sr. No	Term	Definition/Abbreviation
		Average No. of Equity Shares
12.	Equity Capital	Fully paid up Equity shares of Rs. 10.00/- each of Target Company
13.	Escrow Bank/Escrow Agent	IndusInd Bank Limited having its registered office at 2401, General Thimmayya Road (Cantonment) Pune 411001, Maharashtra – India and Branch Office at Fort, Mumbai – 400 001
14.	Escrow Agreement	Escrow Agreement dated May 26, 2016 between the Acquirer, Escrow Agent and Manager to the Offer
15.	FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
16.	FII's	Foreign Institutional Investors
17.	FIPB	Foreign Investment Promotion Board
18.	Form of Acceptance or FOA	Form of Acceptance-cum-Acknowledgement
19.	FOW	Form of Withdrawal
20.	TD	Transfer Deed
21.	Identified Date	Monday, July 04, 2016
22.	Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992 and subsequent amendments thereof
23.	LOO or Letter of offer	The Letter of Offer dated [·] including the Form of Acceptance-cum-Acknowledgement
24.	Manager to the Offer or Merchant Banker or Manager or HSL	Hem Securities Limited
25.	N.A.	Not Available/Not Applicable
26.	NBFC	Non-Banking Financial Company
27.	Net worth	Equity Capital + Free Reserve (excluding Revaluation Reserve) – Debit balance in Profit & Loss A/c – Misc expenditure not written off
28.	NRI(s)	Non Resident Indian
29.	NSDL	National Securities Depository Limited
30.	OCB's	Overseas Corporate Bodies
31.	Offer or The Offer or Open Offer	Offer for acquisition up to 7,80,052 equity shares of Rs. 10.00/- each of ASL representing up to 26% of equity share/ voting right of Target Company at a price of Rs. 16.00/- per equity share of Rs 10.00/- each payable in cash.
32.	Offer Period	Tuesday July 19, 2016 to Monday August 01, 2016
33.	Offer Price	Rs. 16.00/- per equity share of Rs 10.00/- each of the Target Company payable in cash
34.	PAN	Permanent Account Number
35.	Public Announcement or "PA"	Public Announcement of the Open Offer by the Acquirer, made as per SEBI (SAST) Regulations sent on Thursday May 26, 2016 by Merchant Banker on behalf of Acquirer and sent to BSE Limited ("BSE"), ASE, DSE and Target Company at its Registered Office and filed on Thursday May 26, 2016 with Securities and Exchange Board of India ("SEBI").
36.	RBI	Reserve Bank of India
37.	Registrar or Registrar to the Offer	System Support Services
38.	Return on Net worth	(Profit after Tax available for Equity Shareholders) / (Equity Capital + Free Reserves excluding Revaluation reserve – Debit balance in Profit & Loss A/c – Misc expenditure not written off)
39.	Rs./ Rupee	Indian Rupee
40.	Sale Shares	10,35,000 fully paid-up equity shares of face value of Rs.10.00 each, constituting 34.50 % of the issued, subscribed and voting capital of the Target Company to be sold by the Sellers to the Acquirers, in terms of the SPA.
41.	SEBI	Securities and Exchange Board of India
42.	SEBI (SAST) Regulations, 2011 / Takeover Regulation/ SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof

Sr. No	Term	Definition/Abbreviation
43.	SEBI Act	Securities and Exchange Board of India Act, 1992
44.	SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment thereto
45.	SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto
46.	SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
47.	SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
48.	SPA / Share Purchase Agreement	Share Purchase Agreement dated May 26, 2016 entered amongst the Acquirer, Sellers and Target Company.
49.	Tendering Period	Period commencing from Tuesday, July 19, 2016 and closing on Monday, August 01, 2016 (both days inclusive)
50.	Target Company	Amarnath Securities Limited ("ASL"/"Target Company")
51.	Working Days	A working day of SEBI

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

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF AMARNATH SECURITIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF MR. OMKAR PRAVIN HERLEKAR ("THE ACQUIRER") OF AMARNATH SECURITIES LIMITED ("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 ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER – HEM SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED WEDNESDAY, JUNE 08, 2016 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

- 3.1.1 This Open Offer is being made by the Acquirer to the equity shareholders of Amarnath Securities Limited in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations for substantial acquisition of equity shares/ voting rights, accompanied with a change in management control of the Target Company.
- 3.1.2 On May 26, 2016, Mr. Omkar Pravin Herlekar (hereinafter referred to as "Acquirer"), has entered into Share Purchase Agreement ("SPA") with the Sellers for the acquisition of 10,35,000 (Ten Lakh Thirty Five Thousand) fully paid-up Equity Shares ("Sale Shares") of face value of Rs. 10.00/- (Rupees Ten Only) each representing 34.50 % of the paid up equity share capital of the

Target Company at a price of 10.00/- (Rupees Ten Only) per fully paid-up equity shares aggregating to Rs. 1,03,50,000/- (Rupees One Crore Three Lacs Fifty Thousand Only) payable in cash, subject to the terms and conditions as contained in the SPA. The Sellers are part of Promoters/ Promoter Group of the Target Company and also are in management control of Target Company.

The details of Sellers are as under:

Name of the Sellers	Residential Address	Details of shares/ voting rights held by the selling shareholders			
		Pre Transaction		Post Transaction	
		Number	%	Number	%
Mr. Gaurav Ranjitsinh Chavda	50, Gokul Park Soc, on Kans Jashodanagar Raod, Vatva - GIDC Ahmedabad-382445, Gujarat	4,00,000	13.33	NIL	NIL
Mr. Bhavesh Dhirajlal Tanna	11, Vimal App, Nr. SB, Trustvadi Opp. Visvijay flt, Navavadaj, Ahmedabad-380013, Gujarat	2,70,000	9.00	NIL	NIL
Mr. Laxmikant Ramprasad Kabra	C-1102, Niharika Chs Ltd., Glays Alwares Road, Off. Pokharan Road No-2, Thane West, Thane-400610 Maharashtra	1,35,000	4.50	NIL	NIL
Mr. Manharben Ranjitsinh Chavda	50, Gokul Park Soc, on Kans Jashodanagar Road, Vatva-GIDC, Ahmedabad-382445, Gujarat	2,30,000	7.67	NIL	NIL

3.1.3 A summary of some of the salient features of the Share Purchase Agreement, which are all subject to detailed terms in the Share Purchase Agreement (“SPA”) is as follows:

- SPA dated May 26, 2016 between the Acquirer and Seller for the acquisition of 10,35,000 (Ten Lakh Thirty Five Thousand) fully paid up equity shares representing 34.50 % of the present issued, subscribed and paid up equity share capital of the Target Company at a price of Rs. 10.00/- (Rupees Ten Only) per share.
- The total consideration for the sale shares is Rs. 1,03,50,000/- (Rupees One Crore Three Lacs Fifty Thousand Only) payable in cash.
- Acquirer and sellers agree that if they will fail to comply with the provisions of SEBI (SAST) Regulations, 2011, the SPA shall not be acted upon by the Acquirer or Sellers.

3.1.4 There is no separate arrangement for the proposed change in control of the Target Company except for the terms as mentioned in SPA entered between Acquirer and Sellers.

3.1.5 As on the date of Public Announcement, the Acquirer holds 6,50,000 (Six Lakh Fifty Thousand) aggregating to 21.67% shares in the Target Company. Pursuant to the acquisition of equity shares and consequent changes in control of the Target Company contemplated under the SPA, this mandatory Open Offer is being made by the Acquirers in compliance with Regulation 3 (1) and 4 and other applicable provisions of SEBI (SAST) Regulations, 2011 as amended the Acquirer proposes to do a substantial acquisition of shares and also to takeover the management control of the Target Company.

3.1.6 The Acquirer as mentioned above has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act, 1992.

- 3.1.7 Pursuant to Regulation 24(4), in the event any person(s) representing the Acquirer is appointed on the Board of Directors of the Target Company, such director shall not participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to the Open Offer.
- 3.1.8 The Offer is not as a result of a Global Acquisition resulting in indirect acquisition of the Target Company.
- 3.1.9 There are no persons representing the Acquirer on the Board of Target Company as on the date of this Draft Letter of Offer.
- 3.1.10 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of direction u/s 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.
- 3.1.11 No other consideration/compensation, in cash or kind, whether directly or indirectly, is being given to the Seller apart from the consideration as stated in Point 3.1.2 above
- 3.1.12 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of Director of the Target Company will constitute a committee of independent directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

3.2 Details of the Proposed Offer

- 3.2.1 The Acquirer has made DPS in the following newspapers, namely i) Financial Express (**English**) (*all editions*), (ii) Jansatta (*Hindi*) (*all editions*) and (iii) Mumbai Lakshadeep (**Marathi**) **Mumbai**, which appeared on Thursday, June 02, 2016. The PA and the DPS are also available on the SEBI website at www.sebi.gov.in
- 3.2.2 The Acquirer has made an Open Offer in terms of Regulations 3(1) and 4 of SEBI (SAST) Regulations, 2011 to the shareholders of ASL to acquire 7,80,052 (Seven Lacs Eighty Thousand and Fifty Two) fully paid up Equity Shares of Rs. 10.00/- each representing 26.00% of the present issued, subscribed and paid up capital of the Target Company at a price of Rs.16.00/- (Rupees Sixteen Only) per fully paid up equity share ("Offer Price"), payable in cash subject to the terms and conditions set out in the PA, DPS and this Draft Letter of Offer.
- 3.2.3 The Acquirer has not acquired any shares of Target Company after the date of PA i.e. Thursday, May 26, 2016 and upto the date of this Draft Letter of Offer.
- 3.2.4 The Target Company being an NBFC registered with RBI, the acquisition of shares and control of the Target Company by the Acquirer is subject to RBI Approval, it will be subject to fulfillment of conditions as may become applicable as mentioned in Point 7.16 of this Draft Letter of Offer.
- 3.2.5 The Offer is not conditional on any minimum level of acceptance by the equity shareholders of the Target Company in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. Further there is no differential pricing for this Offer.
- 3.2.6 The Offer is being made to all the Shareholders of the Target Company (other than the parties to the SPA). All Shares validly tendered in the Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the DPS and this Draft Letter of Offer. There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 3.2.7 The Manager to the Offer, **Hem Securities Limited** does not hold any equity shares in the Target Company as on the date of this DPS and is in compliance with Regulation 27(6) of SEBI (SAST) Regulations, 2011. The Manager to the Offer further declares and undertakes that they will not deal in their own account in the equity shares of the Target Company during the Offer Period.

- 3.2.8 The equity shares are listed at BSE, DSE and ASE. As per Regulation 38 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR"), the Target Company is required to maintain at least 25% public shareholding on a continuous basis for listing. In case, pursuant to the further acquisition and/or through this Offer, the public shareholding in the Target Company reduces below the minimum level required as per SEBI (Listing Obligation and Disclosure Requirements) Regulation and the listing agreement entered into by the Target Company with Stock Exchanges read with Rule 19A of the SCRR, the Acquirers hereby undertake that the promoter group shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.
- 3.2.9 Further, the Acquirer shall not be eligible to make a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2009, unless a period of twelve months have elapsed from the date of completion of the offer period as per Regulation 7(5) of the SEBI (SAST) Regulations, 2011.

3.3 Objects of the Acquisition /Offer

- 3.3.1 The object and purpose for the Acquirer to enter into the transactions contemplated in the Share Purchase Agreement is to achieve substantial acquisition of equity shares and voting capital, accompanied with effective management control over the Target Company.
- 3.3.2 The Acquirer will continue existing line of business of the Target Company and may diversify its business activities in future only with the prior approval of shareholders. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 2013, Memorandum and Articles of Association of ASL and all applicable laws, rules and regulations, the Board of Directors of ASL will take appropriate business decisions from time to time in order to improve the performance of the Target Company.
- 3.3.3 The Acquirer reserves the right to streamline/ restructure its holding in the Target Company and/or the operations, assets, liabilities and/or business of the Target Company, through arrangements, reconstructions, restructurings, mergers, sale of assets or undertakings and/or renegotiation or termination of existing contractual /operating arrangements, at a later date. Such decisions will be taken in accordance with procedures set out by applicable law and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time and with approval of Board of Directors.
- 3.3.4 In terms of Regulation 25(2), the Acquirer may dispose-off or otherwise encumber any assets or investments of the Target Company, through sale, lease, reconstruction, restructuring including but not limited to amalgamation and/or demerger with its group companies and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalizing the assets, investments or liabilities of the Target Company and/or its subsidiaries, to improve operational efficiencies and for other commercial reasons. The Board of Directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company.

4 BACKGROUND OF THE ACQUIRER

4.1 THE ACQUIRER

MR. OMKAR PRAVIN HERLEKAR

- 4.1.1 Mr. Omkar Pravin Herlekar, S/o. Mr. Pravin Shivdas Herlekar, aged about 35 years, Residing at Vrindavan Bungalow, Juvili Gaon, Kulgaon, Near Z P School, Badlapur East, Thane- 421503, Maharashtra (PAN: ACCPH0802P)
- 4.1.2 He has completed Masters of Science (MSc.) in Chemistry from Mumbai University in 2006. He is having 8 year of experience in Strategic planning, Financial, Marketing and Research and Development. He is also acting as Whole- time Director in Omkar Speciality Chemicals Limited. He is also on the Board of Directors of Rishichem Research Limited, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Desh Chemicals Private Limited, Svaks Biotech India

Private Limited, Delicare Lifesciences Private Limited, Harishree Aromatics and Chemicals Private Limited, and Lasa Supergenerics Limited.

- 4.1.3 Mr. Omkar Pravin Herlekar is the sole Acquirer in the present offer and there is no Person Acting in Concert with the Acquirer for the purpose of this Offer.
- 4.1.4 He is holding 6,50,000 equity shares each representing 21.67% of the paid up equity share capital as on the date of this Draft Letter of Offer in the Target Company.
- 4.1.5 CA Mandar K. Patil, (Membership No.103977, Proprietor of Mandar K. Patil & Co., Chartered Accountants, having their office at 221 /222. Swastik Plaza, Pokharan Road No.2, Thane (W) -400 601, Tel.: 21731574, E-mail: mandar@mkpatilca.com has certified and confirmed vide his certificate dated May 27, 2016 that the individual Net Worth of Mr. Omkar Pravin Herlekar as on March 31, 2016 is Rs. 2029.21 Lacs (Rupees Two Thousand Twenty Nine Lacs and Twenty One Thousand Only).

4.2 OTHER DETAILS OF THE ACQUIRER

- 4.2.1 **Mr. Omkar Pravin Herlekar**, son of Mr. Pravin Shivdas Herlekar is on the Board of Directors of following companies:

S. No	Name of the Company/LLP	Listed/Unlisted	Position Held
1.	Omkar Speciality Chemicals Limited	Listed	Whole-time Director
2.	Urdhwa Chemicals Company Pvt. Ltd	Unlisted	Director
3.	Rishichem Research Limited	Unlisted	Director
4.	Harishree Aromatics and Chemicals Private Limited	Unlisted	Director
5.	Desh Chemicals Pvt. Ltd	Unlisted	Director
6.	Svaks Biotech India Private Limited	Unlisted	Director
7.	Lasa Supergenerics Limited	Unlisted	Director
8.	Lasa Laboratory Private Limited	Unlisted	Director
9.	Delicare Lifesciences Private Limited	Unlisted	Director

- 4.2.2 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act, 1992.
- 4.2.3 As on date of the PA, Acquirer holds 6,50,000 equity shares of Rs.10.00/- each representing 21.67% of the total paid-up share capital of the Target Company and in addition to same, Acquirer entered into Share Purchase Agreement ("SPA") on May 26, 2016 for acquisition of 10,35,000 (Ten Lakh Thirty Five Thousand) equity shares of Rs. 10.00/- each representing 34.50% as mentioned in Part 3.A(b) of this DLOO. Other than the above shareholding in the Target Company, Acquirer does not hold any interest in the Target Company.

5 BACKGROUND OF AMARNATH SECURITIES LIMITED ("ASL") ("THE TARGET COMPANY")

- 5.1 Amarnath Securities Limited ("ASL") (herein referred to as "Target Company") was incorporated on October 12, 1994, as "**Amarnath Securities Private Limited**" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat. After conversion the name of the company changed to "**Amarnath Securities Limited**" vide the fresh Certificate of Incorporation dated February 10, 1995. The Corporate Identification Number of our Company is L67120GJ1994PLC023254. Company is having its registered office situated at 1/ 104, Sarthak, Opp. C. T. Centre, B/H. Swastik Cross Road, C. G. Road, Ahmedabad - 380009. There has been no change in the name of the Target Company after conversion.

- 5.2 The Share capital structure of the Target Company as on the date of Draft Letter of Offer is as follows:

Paid up Equity Shares of Target Company	No. of Shares/voting rights*
Authorized Equity Shares	40,00,000 equity shares of Rs. 10.00/- each
Fully paid up equity shares	30,00,200 equity shares of Rs. 10.00/- each

Paid up Equity Shares of Target Company	No. of Shares/voting rights*
Partly paid up equity shares	NIL
Total paid up equity shares	30,00,200 equity shares of Rs. 10.00/- each
Total voting rights in TC	30,00,200 equity shares of Rs. 10.00/- each

*(Source: BSE website).

5.3 The equity shares (ISIN: INE745P01010) of the Target Company are currently listed at BSE Limited, Mumbai ("BSE"), Ahmedabad Stock Exchange Limited ("ASE") and Delhi Stock Exchange Limited ("DSE").

5.4 Based on the information available on the BSE website, the equity shares of Amarnath Securities Limited are frequently traded within the meaning of Regulation 2(1) (j) of SEBI (SAST) Regulations.

5.5 There are no outstanding warrants/ convertible securities or partly paid-up shares in the Target Company. (Source: BSE website)

5.6 Amarnath Securities Ltd. (ASL) is an NBFC is registered with RBI since April 06, 1998 vide Registration No. 01.00213.

5.7 The equity shares of the Target Company are not currently suspended for trading in any Stock Exchanges.

5.8 The financial information of the Target Company are as follows:

Particulars	Year ended as on March 2016	Year ended as on March 2015	Year ended as on March 2014
Total Revenue	3769604.00	2633858.00	2159070.00
Net Income (PAT)	932071.00	582331.00	474907.00
EPS (Rs. Per Share)	0.31	0.19	0.16
Net Worth/ Shareholders Funds	32235896.00	31303825.00	30793130.00

5.9 The Current capital structure and its built up since inception is as under:

Date of Allotment	No. and % of Shares Issued	Cumulative Paid Up Capital	Mode of Allotment	Identity of Allottees (Promoters/ Ex-Promoters/ Others)	Status of Compliance
7.10.1994	200	200	Subscribers to MOA	Promoters	Complied to the extent applicable.
12.10.1994	200	400	Prior to Public Offer	Promoters	
27.01.1995	12,900	13,300	Prior to Public Offer	Promoters	
28.02.1995	98,080	1,11,380	Prior to Public Offer	Promoters	
10.03.1995	1,10,700	2,22,080	Prior to Public Offer	Promoters	
15.03.1995	2,28,120	4,50,200	Prior to Public Offer	Promoters	
15.03.1995	36,980	4,87,180	Prior to Public Offer	Promoters	
26.12.1995	50,000	5,37,180	Prior to Public Offer	Promoters	
26.04.1996	2,463,020	30,00,200	Public Issue	Public	

5.10 Board of Directors of Amarnath Securities Limited as on this Draft Letter of Offer are as follows:

Sr. No.	Name	Designation	Date of Appointment
1.	Mr. Laxmikant Ramprasad Kabra	Director	01.03.2011
2.	Mr. Rahul Ramesh Tawde	Director	01.04.2012
3.	Mr. Murlidhar Mohanlal Lakhiani	Director	01.03.2011
4.	Mr. Bhavesh Dhirajlal Tanna	Managing director	01.03.2011
5.	Mr. Gaurav Ranjitsinh Chavda	Director	01.03.2011
6.	Mr. Mandar Kamalakar Patil	Director	01.04.2012

7.	Ms. Archana Sagar Sarode	Director	31.07.2013
8.	Mr. Jaid Ismail Kojar	Director	31.07.2013

Note: None of the above persons represent the Acquirer.

5.11 Brief profile of the Directors

- 5.11.1 Mr. Laxmikant Ramprasad Kabra aged 47 years is a Non-Executive Non Independent Director of the company. He is a Fellow member of the Institute of Chartered Accountants of India (ICAI) and is a commerce graduate from University of Mumbai who has the experience of over 22 years in the field of Income Tax, Company Law, Finance, Audit and Assurances services and Banking. During his tenure he has worked with Public Limited Companies such as Ficom Organics Limited and Rishiroop Rubber International Limited. Since Last 14 years, he has his own practice as a Chartered Accountant in Mumbai under the firm name Laxmikant Kabra & Co., Chartered Accountants.
- 5.11.2 Mr. Rahul Ramesh Tawde aged 31 years is a Commerce Graduate from University of Mumbai and a pursuing Chartered Accountant. He is Non - Executive and Independent Director of the company. He is into business of Investment Advisory Services since 5 years. He is also a Professional Lecturer in private classes. His rich experience in the field of investment and financial advisory services is definitely going to help the company in pursuing its growth plans in the time to come.
- 5.11.3 Mr. Murlidhar Mohanlal Lakhiani aged 56 years old. He is Chairman and Executive Non Independent Director of the Company. He is a commerce graduate and is having over 22 years of experience in the field of Business and Trading. He is engaged in the business of trading in coal, coke, lignite and transport services. He is also dealing in real estate business and trading in shares, stock etc. Thus, Mr. Murlidhar Lakhiani has experience in multi- disciplinary field and he has vast experience to explore new possibilities.
- 5.11.4 Mr. Bhavesh Dhirajlal Tanna aged 40 years and is Managing Director of the Company. He has done Diploma in Pharmacy from Institute of Pharmacy College, Yavatmal, Maharashtra in 1994-95. Post qualification, he has been engaged in the business of Investment & Financial Consultancy and is having an experience of over 17 years in the said field.
- 5.11.5 Mr. Gaurav Ranjitsinh Chavda aged 28 years old. He is Executive Non Executive and Non Independent Director of the Company. He is a Professional Computer Engineer from Gujarat University and has done his MBA from NRIBM, Gujarat. He has got rich experience of 17 years in the field of Investment, Finance and Broking services.
- 5.11.6 Mr. Mandar Kamalakar Patil aged 46 years is Fellow Member of the Institute of Chartered Accountants of India (ICAI) vide his Certificate of Practice dated July 31, 2001, and is a Commerce Graduate from University of Mumbai. He has over 22 years of experience in the fields of Statutory Audit, Direct Taxation, Income Tax and Indirect Taxation. He is Non -Executive and Independent Director of the company. He has been practicing in Thane under the firm name Mandar K. Patil & Co. His Knowledge in field Value Added Tax is the major contributor to the Company in VAT Compliances.
- 5.11.7 Mrs. Archana Sagar Sarode aged 30 years is a Commerce Graduate passed in the year March 2009 from University of Mumbai. She is having an experience of 3 years in the field of Administration, Banking and Management. She is Non - Executive and Independent Director of the Company.
- 5.11.8 Mr. Jaid Ismail Kojar aged 29 years is a Commerce Graduate passed in the year July 2010 from University of Mumbai and is pursuing Chartered Accountancy course. Presently he is a freelancer adviser in the field of Accounts & Taxes. He is having vast experience of 5 years in the field of Direct and Indirect Taxation. He is Non - Executive and Independent Director of the company.
- 5.12 There have been no mergers/ de-mergers /spin-offs during the past three years involving Amarnath Securities Limited.

5.13 Brief Financials of Amarnath Securities Limited

Brief financials of Amarnath Securities Limited certified by Statutory Auditors of the Company, M/s ANAM & Associates., Chartered Accountants, based on audited financial statements for the years ending March 31, 2014, 2015, and the 2016.

(Rs. In Lacs)

Particular	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2014
	(Audited)	(Audited)	(Audited)
Revenue from Operations	37.32	26.33858	21.5907
Other Income	0.37	0.00	0.00
Total Income	37.70	26.34	21.59
Total Expenditure	21.71	16.80	13.80
Profit / (Loss) before Depreciation, Interest, Exceptional Items and Tax	15.99	9.54	7.79
Depreciation	2.50	2.59	0.48
Interest	0.00	0.00	0.00
Profit/(Loss) before Tax	13.49	6.94	7.31
Provision for Tax	4.17	1.12	2.56
Profit/(Loss) after Tax	9.32	5.82	4.75

(Rs. In Lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2014
	(Audited)	(Audited)	(Audited)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	300.02	300.02	300.02
Reserves and Surplus	22.34	13.02	7.91
Non-current liabilities			
Deferred Tax Liabilities (Net)	0.00	0.12	0.33
Current liabilities			
Other Current Liabilities	1.57	1.20	0.58
Short-Term Provisions	0.49	1.65	2.46
Networth	322.36	313.04	307.93
TOTAL	324.42	316.00	311.29
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	4.57	8.70	2.27
Non-Current Investments	19.85	0.00	25.53
Long-term Loans and Advances	286.60	290.05	255.43
Deferred Tax Assets	0.20	0.00	0.00
Other Non-Current Assets	0.47	1.28	1.28
Current Assets			
Trade Receivables	0.00	0.00	0.00
Cash and Cash Equivalents	9.95	9.34	8.18
Other Current Assets	2.76	6.63	18.61
TOTAL	324.42	316.00	311.29

Other Financial Data

(Rs. In Lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2014
	(Audited)	(Audited)	(Audited)
Dividend (%)	0%	0%	0%
Earning Per Share (in Rs.)	0.02	0.19	0.16
Return on Networth (%)	2.89%	1.9%	1.54%
Book Value Per Share (in Rs.)	0.00	0.00	0.00

Formulas for above referred Financial Ratios:

1. Earnings Per Share = Profit (Loss) After Tax / Number of Equity Shares
2. Return on Networth = Profit (Loss) After Tax / Net worth
3. Book Value per share = Net worth / Number of Equity shares

5.14 Pre- and post-Offer shareholding pattern of Amarnath Securities Limited:

Shareholders' category	Shareholding & voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Shareholding/voting rights after the acquisition and offer i.e.	
	(A)		(B)		(C)		(A)+(B)+(C) =(D)	
	No.	%	No	%	No.	%	No.	%
(1) Promoter group								
a. Parties to agreement, if any	10,35,000	34.50	(10,35,000)	(34.50)	NIL	NA	NIL	NIL
b. Promoters other than (a) above	-	-	-	-	-	-	-	-
Total 1(a+b)	10,35,000	34.50	(10,35,000)	(34.50)	NIL	NA	NIL	NIL
(2) Acquirer								
a. Acquirer	6,50,000	21.67	10,35,000	34.50	7,80,052	26.00	24,65,052	82.17
b. Person acting with Acquirer	-	-	-	-	-	-	-	-
Total 2 (a+b)	6,50,000	21.67	10,35,000	34.50	7,80,052	26.00	24,65,052	82.17
(3) Parties to agreement other than (1) & (2)	-	-	-	-	-	-	-	-
(4) Public(other than parties to agreement, Acquirer)	-	-	-	-	-	-	-	-
a. FIs/MFs/FIIs/Banks, SFIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Others	NIL	NIL	NIL	NIL				
Total (4) (a+b)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (1+2+3+4)	16,85,000	56.17	NIL	NIL	7,80,052	26.00	24,65,052	82.17

Notes:

1. As on the date, the number of shareholders in ASL in public category is 677.
2. No Equity Shares are subject to lock in.
3. Face value of Equity Shares of Target Company is Rs. 10.00/- each.
4. The Acquirer has not acquired any shares from the date of PA till the date of this Draft Letter of Offer.

6 OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

- 6.1.1 The Offer Price is at Rs.16.00/- (Rupees Sixteen Only) per fully paid up equity share of ASL. The equity shares of the Target Company are listed at Ahmedabad Stock Exchange Limited (ASE), Delhi Stock Exchange Limited (DSE) and BSE Limited (BSE) and traded at BSE only and are frequently traded as defined in Regulation 2(1) (j) of SEBI (SAST) Regulations.
- 6.1.2 The Offer is made pursuant to the direct acquisition of shares and control over the Target Company by the Acquirer through the SPA.
- 6.1.3 The equity shares of ASL are presently listed on BSE Limited (hereinafter referred as “BSE”) having Scrip Code of 538465 and also listed on Ahmedabad Stock Exchange Limited (hereinafter referred as “ASE”) and Delhi Stock Exchange Limited (hereinafter referred as “DSE”).
- 6.1.4 The annualized trading turnover in the Equity Shares of the Target Company based on trading volume during the twelve calendar months prior to the month of PA (May 2015 to April 2016) is as given below:

Sr. No.	Name of the Stock Exchange	Total no. of equity shares during the 12 calendar months prior to May 2016	Total no. of equity share listed	Traded Turnover (in terms of % to total listed shares)
1	BSE*	6,33,472	30,00,200	21.11%
2	ASE**	NA	30,00,200	NA
3	DSE**	NA	30,00,200	NA

*(Source: www.bseindia.com)

**Data not available

- 6.1.5 The Offer Price of Rs. 16.00/- (Rupees Sixteen Only) per equity share of Rs. 10.00/- each is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, after considering the following facts:

Sr. No.	Particulars	Price
a.	Highest negotiated price per share, if any, of the Target for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer.	Rs. 10.00
b.	Volume-weighted average price paid or payable for acquisitions, whether by the Acquirer or by any person acting in concert with him, during the 52 weeks immediately preceding the date of the PA	N.A
c.	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the 26 weeks immediately preceding the date of the PA	Rs. 16.00
d.	Volume-weighted average market price of such shares for a period of 60 trading days immediately preceding the date of the public announcement as traded on the BSE, being the stock exchange where the maximum volume of trading in the Equity Shares of the Target are recorded during such period	Rs. 16.00
e.	Where the shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies	NA
Offer Price (Highest of the above)		Rs. 16.00

During the financial year 2008 -2009 and 2010-2011, management has been changed completely in violation of Regulation 10 & 12 of the SAST Regulations, 1997. The Offer price has calculated assuming the triggering point as acquisition date and interest calculation thereon @ 10% P.A. till the date of current PA, the details of which is mentioned below:

Trigger date	Current date of PA	No. of days (Delay)	Fair Value as on Trigger Date (Rs.)	Price as per Regulation 20(5) of SEBI (SAST) Regulations, 1997	Interest @10% per annum	Total (Rs.) (Round off.)
02.04.2009	26.05.2016	2611	2.95	2.95	2.11	5.10
01.03.2011	26.05.2016	1913	4.92	4.95	2.58	7.55

- 6.1.6 Based on the above parameters, the Offer Price of Rs. 16/- per equity share of face value Rs. 10/- each, is justified in terms of the SEBI (SAST) Regulations, 2011.
- 6.1.7 There is no non-compete fees payable under the agreement.
- 6.1.8 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. (Source: BSE website)
- 6.1.9 In the opinion of the Manager to the offer and the Acquirer, the offer price of Rs.16/- (Rupees Sixteen only) per fully paid up equity share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011.
- 6.1.10 The Acquirer shall disclose during the offer period, every acquisition made by them of any equity shares of the Target Company, to the Stock Exchanges and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6).
- 6.1.11 In case the Acquirer acquire or agree to acquire any shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the Offer price, the offer price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations. However, the Acquirer shall not acquire any equity shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period. If the Acquirer acquires shares after the date of Public Announcement upto 7 working days prior to the closure of the offer at a price higher than the offer price, then the highest price paid for such acquisition shall be payable for all the shares tendered in the offer and accepted under the offer.
- 6.1.12 There has been no revision in the Offer Price or to the size of this Offer as on the date of this Draft Letter of Offer.
- 6.1.13 An upward revision to the Offer Price or to the Offer Size, if any, on account of future purchases/ competing Offer or otherwise, may be done at any time prior to the commencement of the last 3 working days before the date of commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make further deposit into the Escrow Account; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform ASE, BSE, DSE, SEBI and the Target Company at its Registered Office of such revision.

6.2 Financial Arrangements

- 6.2.1 The total consideration for acquisition of 7,80,052 fully paid-up equity shares of face value of Rs. 10.00/- each of ASL, at an Offer Price of Rs.16.00/- per share is Rs. 1,24,80,832/- (Rupees One Crore Twenty Four Lakh Eighty Thousand Eight Hundred and Thirty Two Only) ("Offer Consideration").
- 6.2.2 The Acquirer has made firm financial arrangements to meet their obligations in full under the Offer. The Acquirer has adequate internal resources to meet the financial requirements of the Open Offer

in terms of Regulation 25(1) of SEBI (SAST) Regulations. No borrowings from any Bank/ Financial Institution such as NRIs or otherwise is envisaged by him.

- 6.2.3 In accordance with the provisions of Regulation 17 of the SEBI (SAST) Regulations 2011, the Acquirer has opened an Escrow Account in the name and style of “ASL-OPEN OFFER-ESCROW A/c -HSL” with IndusInd Bank, having its Branch at Fort, Mumbai - 400001 (“Escrow Banker”) and have deposited an amount of Rs. 35,00,000/- (Rupees Thirty Five Lakhs Only) in cash, being 25% of the Maximum Consideration payable under this Offer.
- 6.2.4 The Manager to the Offer, Hem Securities Limited, has been empowered to operate the Escrow Account to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5 CA Mandar K. Patil, (Membership No.103977, Proprietor of Mandar K. Patil & Co., Chartered Accountants, having their office at 221 /222. Swastik Plaza, Pokharan Road No.2, Thane (W) -400 601, Tel.: 21731574, E-mail: mandar@mkpatilca.com has certified and confirmed vide his Certificate dated May 27, 2016, that the Acquirer has sufficient liquid funds to meet their obligations under the SEBI (SAST) Regulations.
- 6.2.6 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer have opened an Escrow Current Account in the name and style of “ASL - OPEN OFFER - ESCROW A/c-HSL” with Indusind Bank, having its Branch at Fort, Mumbai – 400 001 (“Escrow Banker”) and have deposited an amount of Rs. 35,00,000 (Rupees Thirty Five Lakhs Only) in cash, being 25% of the Maximum Consideration payable under this Offer.
- 6.2.7 Based on the above certificates, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations, 2011, as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.
- 6.2.8 Acquirer has authorized the Manager to the Offer to operate and realize the value of the Escrow account in terms of SEBI (SAST) Regulations.
- 6.2.9 In case the Acquirer acquire shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the offer price under these regulations, the Acquirer shall pay the difference between the highest acquisition price and the offer price, to all the shareholders whose shares were accepted in the open offer, within sixty days from the date of such acquisition.

7 TERMS AND CONDITIONS OF OFFER

- 7.1 The offer is being made to all public shareholders of the Target Company, except the Acquirer and the parties to the SPA, if any whether holding Equity shares in dematerialized form or physical form, registered or unregistered are eligible to participate in the Offer any time before closure of the tendering period. The Offer is subject to the terms and conditions set out in this DLOO, the Form of Acceptance, PA, DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.2 The Letter of Offer (LOO) along with the Form of Acceptance shall be sent to all eligible Equity Shareholders / Beneficial Owners whose names appear in the register of members of the Target Company as on Identified Date i.e. Monday, July 04, 2016.
- 7.3 Accidental omission to dispatch the Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.
- 7.4 Applications in respect of tendered Shares that are the subject matter of litigation, wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation, are liable to be rejected if directions or orders regarding these Shares are not received together with the Shares tendered under this Offer. The applications in some of these cases may be forwarded (as per the discretion of the Acquirers) to the concerned statutory authorities for further action by such authorities.

- 7.5 The Acquirers shall acquire the Shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 7.6 Consideration for equity shares accepted would be paid in the name of first shareholder/ unregistered shareholder and will be intimated by the registered post/UPC to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.
- 7.7 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
- 7.8 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.9 **Locked in Equity Shares:** Regarding acceptance of Lock-in Shares, whether acquired pursuant to the agreement or the Offer, the same can be acquired by the Acquirers subject to continuation of the residual lock-in period in the hands of the Acquirers and there shall be no discrimination in the acceptance of locked-in and not locked-in shares. To the best of our knowledge, the Target Company has no Equity Shares which are locked in.
- 7.10 The PA, DPS and LOO along with Form of Acceptance will be available on the SEBI website *i.e.* www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Equity Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date *i.e.* Monday, July 04, 2016, but before the Closure of Tendering Period, if they so desire, the Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at www.sebi.gov.in, or obtain it from the Registrar to the Offer and send in their acceptances to the Registrar to the Offer by filling the same.
- 7.11 Incomplete acceptances, including non submission of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.12 The acceptance of this offer is entirely at the discretion of the eligible Equity Shareholder(s) /Beneficial owner(s) of the Target Company. The Acquirers will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.
- 7.13 In the event that the aggregate of the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.
- 7.14 The Manager to the Offer further declares and undertakes that they will not deal in their own account in the equity shares of the Target Company during the Offer Period.
- 7.15 The Acquirer, Manager to the Offer or Registrar to the Offer accepts no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc, during transit and the Equity shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

7.16 STATUTORY AND OTHER APPROVALS

- 7.16.1 The Target Company is a Non-Banking Finance Company registered with the Reserve Bank of India. In cases of any acquisition/ transfer of control of NBFC the requirement for obtaining prior approval of RBI has mandated vide its circular DNBS (PD) CC.No.376/03.10.001/2013-14 dated May 26, 2014. The Target Company being an NBFC registered with RBI, this Open Offer and acquisition of shares through SPA and subsequently change of Management is subject to the prior approval of RBI.
- 7.16.2 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body)

in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. The acquisition of shares tendered by Overseas Corporate Bodies (OCBs) is subject to the prior approval from the RBI.

- 7.16.3 Subject to the receipt of statutory approvals (if any), as the case may be, the Acquirer shall complete all procedures relating to this Offer within 10 working days from the Date of Closure of the Tendering Period to those equity shareholders whose share certificates and / or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
- 7.16.4 If any of the statutory approval, are not met for reasons outside the reasonable control of the Acquirer, or in the event the statutory approvals are refused, the Acquirer, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS is published and such announcement will also be sent to ASE, DSE, BSE, SEBI and the Target Company at its Registered Office.
- 7.16.5 In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Equity Shareholders as directed by SEBI, in terms of regulation 18(11) of the SAST Regulations. However, where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirer have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.

8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1 All Public Shareholders of the Target Company, except the Acquirer and the parties to the SPA, whether holding Equity shares in dematerialized form or physical form, registered or unregistered are eligible to participate in the Offer any time before closure of the tendering period.
- 8.2 Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving regarding their shareholding and confirming their consent to participate in this offer on the terms and conditions of this Offer as set out in PA, the DPS and DLOO. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance-cum Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or the Registrar to the Offer.
- 8.3 The Open Offer will be implemented by the Company through Stock Exchange Mechanism made available by BSE Limited (BSE) 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 issued by SEBI.
- 8.4 The Acquirer shall appoint Buying Broker for the Open Offer through whom the purchases and the settlement of the Open Offer shall be made during the tendering period.
- 8.5 BSE shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
- 8.6 The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available to the Stock Exchange in the form of a separate window (Acquisition Window).
- 8.7 All the shareholders who desire to tender their shares under the open Offer would have to intimate their respective stock broker (Selling Broker) during the normal trading hours of the secondary market during tendering period.
- 8.8 Separate Acquisition window will be provided by the Stock Exchange to facilitate placing of sell orders. The selling members can enter orders for Demat Shares as well as physical shares.

- 8.9 The Acquirer has appointed Hem Securities Limited ("Buying Broker") for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the tendering period.

The Contact details of the Buying Broker are as mentioned below:

Hem Securities Limited

203, Jaipur Tower, M.I. Road,

Jaipur, Rajasthan

Tel: 0141-237 8608, 236 3278;

Fax: 0141-510 1757;

Contact Person: Mr. Anil Bhargava

- 8.10 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during tendering period.

- 8.11 Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).

8.12 Procedure for tendering Equity Shares held in Dematerialised 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 / Selling Broker indicating to their broker the details of Equity Shares they intend to tender in Open Offer.
- b) The Seller member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. (Clearing Corporation) for the transfer of Equity Shares to the Special Account of the clearing corporation before placing the bids / order and the same shall be validated at the time of the order entry. The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation.
- c) Shareholders shall submit Delivery Instruction Slips ("DIS") duly filled in specifying market type as "Open Offer" and execution date along with all other details to their respective broker so that Shares can be tendered in Open Offer.
- d) The Selling Broker shall provide early pay-in of demat shares (except for Custodian Participant orders) to the Clearing Corporation before placing the bids / orders and the same shall be validated at the time of order entry.
- e) 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.
- f) 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.
- g) Upon placing the bid, the Selling Broker(s) shall provide 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 Shares tendered etc.
- h) The Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

8.13 Procedure for tendering Equity Shares held in Physical Form:

The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Member and submit complete set of documents for verification procedure as mentioned below:-

- (i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- (ii) Original share certificate(s).
- (iii) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.
- (iv) Self attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
- (v) Any other relevant document such as Power of Attorney, corporate authorization (including board resolution/ specimen signature).
- (vi) Self attested copy of address proof such as valid Aadhar Card, Voter ID, Passport.
- (vii) The Seller Member(s) should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Seller Member(s) to print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
- (viii) The Seller Member(s) / Investor have to deliver the shares & documents along with TRS to the RTA. Physical Share Certificates to reach RTA within 2 days of bidding by Seller Member
- (ix) Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- (x) In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be required to fill the respective Form of Acceptances. Public Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be sent respective Form of Acceptances along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance. Form of Acceptance will not be sent to the Public Shareholders holding Equity Shares in Demat mode.

8.14 Acceptance of 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 Shares, Physical Shares and locked-in Shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public 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 Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

8.15 Procedure for tendering the shares in case of non-receipt of 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 unregistered owners or those who have acquired Equity Shares after 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 / Selling Broker and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.

Letter of Offer along with a Form of Acceptance-cum-Acknowledgement ("Form of Acceptance"), will be dispatched to all the eligible shareholders of the Target Company, whose names appear on the Register of Members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on Monday July 04, 2016 ("Identified Date").

In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) 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.

The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.

8.16 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 Exchanges to facilitate settlement on the basis of Shares transferred to the clearing Corporation.
- b) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- c) The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Seller Member / Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients.
- d) Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.
- e) The direct credit of shares shall be given to the escrow demat account of the Acquirer indicated by the Acquirer's Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available.
- f) 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 escrow account which will be opened by the Acquirer.
- g) 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 Member(s) / Custodian, post which, the Seller Member(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.
- h) Any excess Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholder(s) directly by Registrar to the Offer.
- i) Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

8.17 Settlement of Funds / Payment Consideration

The Settlement of fund obligation for demats and physical shares shall be effected through existing settlement accounts of Seller Members.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Seller Member / Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients.

The funds received from Buyer Broker by the Clearing Corporation will be released to the Seller Member(s) as per secondary market pay out mechanism.

Shareholders who intend to participate in the Offer should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

Where the number of equity shares tendered by the shareholders are more than the Equity Shares agreed to be acquired by Acquirer, the Acquirer will accept the offers received from the shareholders on a proportionate

basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.

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

8.18 In addition to the documents mentioned elsewhere in this Offer document, Non-resident shareholders (NRIs / OCBs / FIIs) who wish to tender their Equity Shares must submit the following additional documents along with the Form of Acceptance-cum-Acknowledgement:

- a) Self attested copy of PAN Card.
- b) Appropriate No Objection Certificate (NOC) or Tax Clearance Certificate (TCC) from the Income Tax Authorities under sections 195(3) or 197 of the Income Tax Act, for deduction of tax at a lower or NIL rates. **In case the aforesaid No Objection Certificate / Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirer will send the proof of having deducted and paid the tax along with the payment consideration.**
- c) Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act).
- d) Self - attested declaration in respect of residential status, status of Shareholders (e.g. Individual, Firm, Company, FII, Trust, or any other-please specify).
- e) In case of FII, FII Certificate (i.e. self- attested declaration certifying that the investment in the Equity Shares has been made under the FII regime as per the SEBI (Foreign Institutional Investors) Regulations, 1995 and that the nature of income arising from the sale of Equity Shares as per the Income Tax Act is capital gains.
- f) SEBI registration certificate for FII.
- g) RBI and other approval(s) obtained for acquiring the Equity Shares of the Target Company, if applicable.
- h) In case of Non-resident equity shareholders, Foreigners, Foreign Companies and Foreign Institutional Investors, photocopies of the approval(s) by the Reserve Bank of India for acquiring and holding equity shares in ASL.

Compliance with Tax Requirement:

a) **NRIs/ OCBs/ FIIs**

- ✦ In case No Objection Certificate or Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirer will send the proof of having deducted and paid the tax along with the payment consideration.
- ✦ In the case, shares being acquired by Acquirer and being responsible for paying to non-residents (including FIIs/OCBs) any income by way of interest, is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable).
- ✦ All other taxes as may be applicable including TDS or withholding tax as per Income Tax Act 1961 will be deducted at the time of making payment to the successful shareholders. For claiming any lesser tax deduction/ withholding tax all necessary documents to be provided well in advance before making payments to successful shareholders. In absence of the same the Tax deduction/ withholding tax will be deducted at maximum marginal rate.

b) **Resident Shareholder:**

In case of acquisition made by individual acquirer, no TAX will be deducted. However, the acquirer will deduct Tax at the stipulated rate on interest, to the extent of the acquisition made by the corporate entity, if such interest amount payable exceeds Rs. 5,000.

8.19 Acquirer will acquire up to 7,80,052 equity shares of Rs. 10.00/- each tendered in the Offer with valid applications.

9 MATERIAL DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of Hem Securities Limited, 14/15 Khatau Building, 1st Floor, 40, Bank Street, Fort, Mumbai – 400 001 from 10.30 hours to 13.00 hours on any working day, except Saturdays, Sundays, and Public/ Bank Holidays until the Closure of the Tendering Period.

- 9.1 Memorandum and Articles of Association and Certificate of Incorporation of **Amarnath Securities Limited**.
- 9.2 Memorandum of Understanding between Manager to the Offer i.e. Hem Securities Limited and the Acquirer.
- 9.3 Copy of the Agreement between the Registrar to Issue i.e. SYSTEM SUPPORT SERVICES and the Acquirer
- 9.4 Public Announcement dated May 26, 2016 and Detailed Public Statement which is published on June 02, 2016.
- 9.5 Copy of Certificate CA Mandar K. Patil (Membership No. 103977, Proprietor of Mandar K. Patil & Co., Chartered Accountants, having their office at 221 /222. Swastik Plaza, Pokharan Road No.2, Thane (W) - 400 601, Tel.: 21731574, E-mail: mandar@mkpatilca.com has certified and confirmed vide his certificate dated May 27, 2016 that the individual Net Worth of Mr. Omkar Pravin Herlekar as on March 31, 2016 is Rs. 2029.21 Lacs (Rupees Two Thousand Twenty Nine Lacs and Twenty One Thousand Only) respectively and that Acquirer have sufficient liquid funds to meet their part of obligations under the SEBI (SAST) Regulations.
- 9.6 Audited Financial Statements of ASL for years ended on March 31, 2016, March 31, 2015 and March 31, 2014.
- 9.7 Undertaking from the Acquirer, stating full responsibility for all information contained in the PA and the Draft Letter of Offer.
- 9.8 Certificate from Indusind Bank dated May 31, 2016 confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulations.
- 9.9 Copy of the Share Purchase Agreement dated Thursday, May 26, 2016.
- 9.10 A copy of the Observation letter from SEBI dated [•] on the Draft Letter of offer filed with the Securities and Exchange Board of India.
- 9.11 Recommendation made by the Target Company Committee of Independent Directors in compliance with Regulation 26(7) of SEBI (SAST) Regulations.

10 DECLARATION BY ACQUIRER

- 10.1 The Acquirer accepts full responsibility for the information contained in this Draft Letter of Offer and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof. The Acquirer is responsible for ensuring compliance with the SEBI (SAST) Regulations.
- 10.2 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.

Signed on behalf of Acquirer

Omkar Pravin Herlekar
Date: Wednesday, June 08, 2016
Place: Mumbai