

LETTER OF OFFER

"This Document is important and requires your immediate attention"

This Letter of Offer is sent to you as a shareholder(s) of **S.I.CAPITAL & FINANCIAL SERVICES LIMITED**. If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER BY

Name	Address	Contact No.	Email Id
Sharewealth Securities Limited	Door No. 20/232, Adiyat Lane, Poothole. P. O, West Fort, Thrissur- 680004.	0487 - 2436500;	contact@sharewealthindia.com; / ho@sharewealthindia.com

(hereinafter referred to as "**The Acquirer**")

To the shareholders of **S.I.CAPITAL & FINANCIAL SERVICES LIMITED**

(Hereinafter referred to as "**SICFSL**" or the "**Target Company**")

(CIN: L67190TN1994PLC029151)

Registered Office: 64, Montieth Road, Egmore, Chennai, Tamil Nadu- 600008 India

Tel No.: +91-44-28415438,28415439,42145840; **E-mail:** info@sicapital.co.in; **Website:** <http://www.sicapital.co.in>

For the acquisition of 7,80,000 (Seven Lakh Eighty Thousand) fully paid up equity Shares of ₹ 10/- each representing 26.00% of total equity and voting share capital of the Target Company, at a price of ₹ 16.50/- (Rupees Sixteen and Fifty paise Only) per equity share (the "**Offer Price**") payable in cash ("**Offer**" or "**Open Offer**").

Please Note:

1. This Offer is being made by the Acquirer pursuant to regulation 3(1) & (4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") for substantial acquisition of shares/ voting rights accompanied with change in control and management of the Target Company.
2. Target Company has received approval from RBI vide letter DNBS (Che)/CAT- B/No / 172/13.23.380/2018-19 dated August 20, 2019 for change in management control. The aforesaid approval is valid for six months. To the best of the knowledge of the Acquirer, there are no other approvals required for the purpose of this Offer. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approvals.
3. If there is any upward revision in the Offer Price/Size at any time up to one (1) working day prior to commencement of the tendering period viz. September 5, 2019 in terms of the SEBI (SAST) Regulations 2011, the same would also be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement dated December 10, 2018 had appeared. If the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two (2) working days by an Announcement in the same newspapers in which the Detailed Public Statement had appeared.
4. **This is not a competitive offer as per Regulation 20 of the SEBI (SAST) Regulations 2011.**
5. **There has been no competing offer as of the date of this Letter of Offer**
6. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Detailed Public Statement/Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.
7. The Offer is not subject to a minimum level of acceptance by the shareholders of SICFSL and is not a conditional offer.
8. The Procedure for acceptance is set out in Para 7 of this LOF.
9. The Public Announcement, Detailed Public Statement and Letter of Offer would also be available at SEBI'S website (www.sebi.gov.in).
10. All correspondence relating to this offer, if any, should be addressed to the Registrar to the Offer.



MANAGER TO THE OFFER
CAPITALSQUARE ADVISORS PRIVATE LIMITED
SEBI REGN NO: INM000012219
(Contact Person: Mr. Tanmoy Banerjee)
208, 2nd Floor, AARPEE Center, MIDC Road No 11,
CTS 70, Andheri (E), Mumbai 400093, Maharashtra, India
Phone No +91-22-66849999;
Fax : +91-22-66849998
Email: tanmoy.banerjee@capitalsquare.in/mbd@ capitalsquare.in
Website: www.capitalsquare.com

OFFER OPENS ON: FRIDAY, SEPTEMBER 06, 2019



REGISTRAR TO THE OFFER
S.K.D.C. Consultants Limited
SEBI REGN. NO. INR 00000775
(Contact Person: Mr. K.Narendra)
Kanapathy Towers, 3rd Floor, 1391/A1, Sathy
Road, Ganapathy, Coimbatore 641 006, India
Phone No: 91-422-4958995, 2539835-36
Fax: 91-422-2539837
E-mail: info@skdc-consultants.com
Website: www.skdc-consultants.com

OFFER CLOSES ON: FRIDAY, SEPTEMBER 20, 2019

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

Activities	Original Schedule		Revised Schedule	
	Date	Day	Date	Day
Date of the PA	December 03, 2018	Monday	December 03, 2018	Monday
Publication of Detailed Public Statement in newspapers	December 10, 2018	Monday	December 10, 2018	Monday
Last date of filing of the Draft Letter of Offer with the SEBI	December 17, 2018	Monday	December 17, 2018	Monday
Last date of a Competing Offer#	January 01, 2019	Tuesday	January 01, 2019	Tuesday
SEBI observation on Draft Letter of Letter	January 08, 2019	Tuesday	May 16, 2019	Thursday
Identified Date*	January 10, 2019	Thursday	August 22, 2019	Thursday
Date by which the Letter of Offer will be dispatched to the shareholders	January 17, 2019	Thursday	August 29, 2019	Thursday
Last date by which Board of the Target shall give its recommendation	January 22, 2019	Tuesday	September 04, 2019	Wednesday
Last date for revising the Offer Price / Offer Size	January 22, 2019	Tuesday	September 05, 2019	Thursday
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspapers and sending the same to SEBI, Stock Exchanges and Target Company	January 23, 2019	Wednesday	September 05, 2019	Thursday
Date of commencement of tendering period	January 24, 2019	Thursday	September 06, 2019	Friday
Date of closing of tendering period	February 06, 2019	Wednesday	September 20, 2019	Friday
Date by which all requirement including payment of consideration would be completed	February 21, 2019	Thursday	October 07, 2019	Monday

Note: The schedule of activity has been calculated from August 20, 2019, being the date of receipt of RBI's letter dated August 20, 2019 by the Acquirer from the Target Company, and SEBI vide letter dated May 28, 2019 had granted extension for commencement of the Tendering Period not later than 12 working days of receipt of the approval from the RBI. Please refer to the Statutory & other Approvals for further details.

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

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

1. The Offer involves an offer to acquire 26.00% of the total equity and voting share capital of SICFSL from the eligible persons for the Offer. In the case of oversubscription in the Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
2. To the best of knowledge and belief of the Acquirer, as of the date of this Letter of Offer, except approval of Reserve Bank Of India in terms of paragraph 59 of Master Direction DNBR.PD.007/03.10.119/2016-17, September 01, 2016 [Master Direction – Non Banking Financial Company-Non Systematically Important Non Deposit taking Company (Reserve Bank) Directions, 2016], there are no other statutory approvals required for this Open Offer. Target Company has received approval from vide letter no DNBS (Che)/CAT- B/No / 172/13.23.380/2018-19 dated August 20, 2019. However, if any other statutory approvals are required prior to completion of this offer, this offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.
3. In the event that either (a) regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of SICFSL whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders for the delay, as may be specified by SEBI.
4. Shareholders should note that shareholders who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

5. The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirer under the Offer. The Acquirer may not be able to proceed with the Offer in the event the approvals are not received in terms of the Regulation 23 of the SEBI (SAST) Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

6. Risks involved in associating with the Acquirer:

The Acquirer intends to acquire 7,80,000 (Seven Lakh Eighty Thousand) fully paid up equity Shares of ₹ 10/- each representing 26.00% of total equity and voting share capital of the Target Company, at a price of ₹ 16.50/- (Rupees Sixteen and Fifty Paise Only) per equity share, payable in cash under the SEBI (SAST) Regulations, 2011. SICFSL does not have any partly paid-up equity shares as on the date of PA. The equity shares and documents tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the shareholders will not be able to trade such equity shares. Post this Offer, the Acquirer will have significant equity ownership & effective management control over the Target Company pursuant to regulation 3(1) & 4 of the SEBI (SAST) Regulations.

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

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

CURRENCY OF PRESENTATION

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

INDEX

Sl. No.	Subject	Page No.
1.	Disclaimer Clause	4
2.	Details of the Offer	4-7
3.	Background of the Acquirer	7-11
4.	Background of S.I.Capital & Financial Services Limited ("SICFSL" or "Target Company")	11-14
5.	Offer Price and Financial Arrangements	15-16
6.	Terms and Conditions of the Offer	16
7.	Procedure for Acceptance and Settlement of the Offer	17
8.	Acceptance of Shares	18
9.	Procedure for Tendering the Shares in Case of Non Receipt of the Letter of Offer	18-19
10.	Settlement Process	19
11.	Settlement of Funds / Payment Consideration	19
12.	Note on Taxation	19-20
13.	Documents for Inspection	20-21
14.	Declaration by the Acquirer	21

DEFINITIONS/ABBREVIATIONS

Acquirer	Sharewealth Securities Limited (hereinafter referred to as "The Acquirer")
Board	The Board of Directors of the Target Company
Book Value per Share	Net Worth/Number of share
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
DLOF	Draft Letter of Offer dated December 17, 2018 submitted to SEBI for its observations
DPS	Detailed Public Statement dated December 10, 2018
Tender Period	Friday, September 06, 2019 to Friday, September 20, 2019
ECS	Electronic Clearing Service
Escrow Banker	Kotak Mahindra Bank Limited
Equity and voting share capital	₹ 300.00 Lakh divided into 30,00,000 equity shares of ₹ 10/- each
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent.
IFSC	Indian Financial System Code
LOF	Letter of Offer
Manager to the Offer	Capitalsquare Advisors Private Limited
NRI(s)	Non- Resident Indians
NSDL	National Securities Depository Limited
Offer Period	From December 03, 2018 (i.e. date of entering into Memorandum of Understanding between Acquirer and Manager to the Offer) to Monday, October 07, 2019 (i.e. date of Payment Consideration)
Offer Price	₹ 16.50/- (Rupees Sixteen and Fifty paise Only) per equity share payable in cash (including interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date)
Offer/Open Offer	Cash Offer being made by the Acquirer to acquire 7,80,000 equity shares of ₹ 10/- each, representing 26.00 % of the total equity and voting share capital at a price of ₹ 16.50/- (Rupees Sixteen and Fifty paise Only) per equity share including interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date
PA	Public Announcement dated December 03, 2018
PAT	Profit After Tax
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of SICFSL except the Acquirer and parties to the Share Purchase Agreement
RBI	Reserve Bank of India
Registrar to the Offer	S.K.D.C. Consultants Limited
Return on Net Worth	Profit After Tax/Net Worth
Sale Shares	17,99,9500 equity shares of ₹ 10/- each at a price of ₹ 16.00/- (Rupees Sixteen Only)per equity share forming part of the SPA
SEBI	Securities & Exchange Board of India
SEBI (SAST) Regulations/Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
Sellers or Present Promoters	V A Kurien , Sanjay Arjundas Wadhwa, Susie Abraham, Mary Rodrigues , Suzanne Venglet , Arjundas Pokardas HUF , Mohini A Wadhwa Arjundas Pokardas HUF II , Sanjay A Wadhwa HUF , Arjundas Pokardas , Southern Warehousing Co. Pvt. Ltd.
SPA or Agreement	Share Purchase Agreement dated December 03, 2018 entered into between the Acquirer and the Sellers
Target Company / SICFSL	S.I.Capital & Financial Services Limited

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DLOF 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 EQUITY SHAREHOLDERS OF SICFSL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR FOR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER CAPITALSQUARE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 17, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OF THE OFFER."

2. DETAILS OF THE OFFER:

2.1.1 Background of the Offer:

- 2.1.1 This Open Offer ("Offer") is being made by Sharewealth Securities Limited (hereinafter referred to as the "Acquirer") in compliance with regulation 3(1) & 4 of the SEBI (SAST) Regulations, to the shareholders of S.I.Capital & Financial Services Limited (hereinafter referred to as "Target Company" or "SICFSL") a company incorporated and duly registered under the Companies Act, 1956 and having its registered office at 64, Montieth Road, Egmore, Chennai, Tamil Nadu- 600008 India . This Offer has been triggered upon the execution of the Share Purchase Agreement.
- 2.1.2 The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.
- 2.1.3 There is no person acting in concert ("PAC") with the Acquirer within the meaning of regulation 2 (1) (q) of the SEBI (SAST) Regulations.
- 2.1.4 The Acquirer is making an Open Offer to acquire 7,80,000 fully paid up equity Shares of ₹ 10/- each representing 26.00% of total equity and voting share capital of the Target Company, at a price of ₹ 16.50/- (Rupees Sixteen and Fifty paise Only) per equity share (the "Offer Price") (including interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date) payable in cash, subject to the terms and conditions mentioned hereinafter.
- 2.1.5 The Acquirer has entered into a Share Purchase Agreement dated December 03, 2018 with the present Promoters of the Target Company viz, V A Kurien , Sanjay Arjundas Wadhwa, Susie Abraham, Mary Rodrigues , Suzanne Venglet , Arjundas Pokardas HUF , Mohini A Wahdwa Arjundas Pokardas HUF II , Sanjay A Wadhwa HUF , Arjundas Pokardas , Southern Warehousing Co. Pvt. Ltd. (hereinafter collectively referred to as the "Sellers") to acquire in aggregate 17,99,950 (Seventeen Lakh Ninety-nine Thousand Nine hundred Fifty) equity shares of ₹ 10/- each representing 60.00% of the fully paid-up equity and voting share capital of the Target Company at a price of ₹ 16.00/- per fully paid-up equity share payable in cash ("Negotiated Price") for a total consideration of ₹ 2,87,99,200/- (Rupees Two Crores Eighty Seven Lakh Ninety Nine Thousand Two Hundred Only). The detail of the Sellers are as under:

Sl. No.	Name & Address of Sellers	Nature	Part of the Promoter / Promoter Group (Yes/No)	Shares Holding of the Sellers			
				Pre Transaction		Post Transactions	
				No of Share	% to paid Equity Shares	No of Share	% to paid Equity Shares
1.	V A Kurien Old No110, New No 96, Velachery Road, Sudarsan Garden, Gundy Chennai 600032 Tamil Nadu India	Individual	Yes	7,56,010	25.20	Nil	Nil
2.	Sanjay Arjundas Wadhwa Old No 8, New No 13 , Mandapam Road Kilpauk, Chennai 600010 Tamil Nadu India	Individual	Yes	2,55,300	8.51	Nil	Nil
3.	Susie Abraham Old No110, New No 96, Velachery Road, Sudarsan Garden, Gundy	Individual	Yes	1,78,700	5.96	Nil	Nil

	Chennai 600032 Tamil Nadu India						
4.	Mary Rodrigues NO.3A, Ashlar Place, 4th Main Road Extension, Kottur Garden, Kotturpuram Chennai 600085 Tamil Nadu India	Individual	Yes	65,200	2.17	Nil	Nil
5.	Suzanne Venglet 96/110, Velachery Road, Guindy Industrial Estate, Gundy Chennai 600032 Tamil Nadu India	Individual	Yes	7,340	0.25	Nil	Nil
6.	Arjundas Pokardas HUF 37/85, Pillaiyar Koil Street, Triplicane, Chennai – 600005, Tamil Nadu	Individual	Yes	5,000	0.17	Nil	Nil
7.	Mohini A Wahdwa 50, Pillaiyar Koil Street, Triplicane, Chennai – 600005, Tamil Nadu	Individual	Yes	5,000	0.17	Nil	Nil
8.	Sanjay A Wadhwa HUF 50, Pillaiyar Koil Street, Triplicane, Chennai – 600005, Tamil Nadu	Individual	Yes	4,200	0.14	Nil	Nil
9.	Arjundas Pokardas 50, Pillaiyar Koil Street, Triplicane, Chennai – 600005, Tamil Nadu	Individual	Yes	19,100	0.64	Nil	Nil
10.	Southern Warehousing Co. Pvt . 37, Pillaiyar Koil Street, Triplicane, Chennai – 600005, Tamil Nadu	Corporate	Yes	5,04,100	16.80	Nil	Nil
TOTAL				17,99,950	60.00	Nil	Nil

2.1.6 Apart from as mentioned above, 17,99,950 (Seventeen Lakh Ninety-nine Thousand Nine hundred Fifty) fully paid up equity shares of SICFSL which the Acquirer has acquired pursuant to SPA dated December 03, 2018 .

2.1.7 The Acquirer has not acquired any equity shares/voting rights of the Target Company during the fifty- two weeks (52) period immediately preceding the date of the PA.

2.1.8 The Manager to the Offer i.e. Capitalsquare Advisors Private Limited does not hold any Equity Shares in the Target Company as on the date of this DLOO. The Manager to the Offer further declared and undertakes that they shall not deal in the Equity Shares of the Target Company on their own account during the offer period.

2.1.9 The Offer is not as a result of global acquisition resulting in indirect acquisition of SICFSL.

2.1.10 The Salient features of the Share Purchase Agreement are as follows:

- The Sellers holds 17,99,950 equity shares of the Target Company aggregating to 60.00% of the present paid up equity and voting share capital of the Target Company.
- The Sellers have agreed to sell and the Acquirer has agreed to acquire in aggregate 17,99,950 fully paid up equity shares of ₹ 10/- each ("**Sale shares**") representing 60.00% of the present paid up equity and voting share capital of the Target Company at a price of ₹ 16.00/- per share for cash aggregating to ₹ 2,87,99,200/- ("**Purchase Price**").
- The Sale Shares are free from all charges, encumbrances or liens and are not subjects to any lock in period.
- The Acquirer shall pay the Purchase Price within 7 days from the date of receipt of the prior approval of the Reserve Bank of India.
- The Sellers shall sell, convey and deliver to the Acquirer, Sale shares and the Acquirer shall purchase, acquire and accept from the Sellers.
- The Sale Shares are free from all charges, encumbrances, pledge, liens, attachments and litigations.
- That the Acquirer and the Sellers agree to abide by its obligations as contained in the SEBI (SAST) Regulations.
- That in case of non-compliance of any provisions of the SEBI (SAST) Regulations; the Agreement for such sale shall not be acted upon by the Sellers or the Acquirer.

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

2.1.12 The Acquirer may, subsequent to successful completion of this Open Offer reconstitute the Board of Directors of the Target Company.

2.1.13 As per regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

2.2 Details of the proposed Offer:

- 2.2.1. The Acquirer has made a Public Announcement on December 03, 2018 to SEBI, BSE, Target Company and Detailed Public Statement pursuant on December 10, 2018 which was published in the following newspapers in accordance with the Regulation 14 (3):

Publication	Language	Edition
Business Standard	English	All Edition
Business Standard	Hindi	All Edition
Mumbai Lakshwadeep	Marathi	Mumbai Edition
Makkal Kural	Tamil	Chennai Edition

The PA, DPS are also available on the SEBI website at www.sebi.gov.in; BSE website at www.bseindia.com; and the website of Manager to the Offer www.capitalsquare.com.

- 2.2.2. The Acquirer proposes to acquire from the existing equity shareholders of SICFSL (except the parties to the SPA) 7,80,000 equity shares of ₹ 10/- each representing 26% of total equity and voting share capital of the Target Company, at a price of ₹ 16.50 (Rupees Sixteen and Fifty Paise Only) (the "**Offer Price**") per equity share (including interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date) payable in cash (the "**Offer**" of "**Open Offer**") in accordance with Regulation 9(1)(a) of SEBI (SAST) Regulations, 2011 and subject to the terms and conditions set out in the PA, the DPS and this Letter of Offer.
- 2.2.3. The Target Company doesn't have any partly paid up shares. There are no outstanding warrants or option or similar instrument, convertible into equity shares at a later stage. No shares are subject to any lock-in obligations.
- 2.2.4. The Acquirer will accept all the equity shares of SICFSL those that are tendered in valid form in terms of this Open Offer up to a maximum of 7,80,000 fully paid-up equity shares of ₹ 10/- each representing 26.00% of the total equity and voting share capital of the Target Company.
- 2.2.5. Since the date of the PA to the date of this LOF, the Acquirer has not acquired any equity shares of SICFSL.
- 2.2.6. No competitive bid has been received as on date of this Letter of Offer.
- 2.2.7. There is no differential pricing in this Open Offer.
- 2.2.8. This Offer is not conditional upon any minimum level of acceptance in terms of the Regulation 19 (1) of SEBI (SAST) Regulations and is not a competitive bid in terms of the Regulation 20 of SEBI (SAST) Regulations.
- 2.2.9. The offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.
- 2.2.10. The Equity Shares of the Target Company will be acquired by Acquirer free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 2.2.11. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed Capitalsquare Advisors Private Limited as the Manager to the Offer.
- 2.2.12. As per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Rules 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957, as amended (the "SCRR"), the Target Company is required to maintain at least 25% public shareholding (the "Minimum Public Shareholding"), as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per SCRR as amended and SEBI (LODR) Regulations, 2015. However, the Acquirer undertakes to take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the SEBI (LODR) Regulations, 2015/SCRR within the time period mentioned therein.
- The Acquirer undertakes to bring the public shareholding at minimum stipulated level i.e. 25% within the time permitted under the Securities Contract (Regulation) Rules, 1957 and in accordance with regulation 7(4) of SEBI (SAST) Regulations.
- 2.2.13. Upon completion of the Offer, assuming full acceptances in the Offer, Acquirer will hold 25, 79,950 (Twenty Five Lakh Seventy Nine Thousand Nine Fifty) Equity Shares constituting 86.00% of the present issued, subscribed and paid up share capital of the Target Company.

2.3 Object of the Offer:

- 2.3.1 The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.
- 2.3.2 The Acquirer also intends to control over the Target Company & make changes in the Board of Directors of the Target Company subsequent to the completion of this Open Offer in accordance hereof.
- 2.3.3 The Acquirer proposes to continue existing business of the Target Company and may diversify its business activities in future with prior approval of the shareholders of the Target Company. The main purpose of takeover is to expand the Company's business activities in same/diversified line through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.

- 2.3.4 The Acquirer does not have any plans to dispose off or otherwise encumber any significant assets of SICFSL in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirer undertakes that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of the SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.
- 2.3.5 This Open Offer is for acquisition of 26% of total equity and voting share capital of the Target Company. After the completion of this Open Offer and pursuant to transfer of equity shares so acquired under SPA, the Acquirer shall hold the majority of the Equity Shares by virtue of which they shall be in a position to exercise effective management and control over the Target Company.
- 2.3.6 Subject to satisfaction of the provisions under the Companies Act, 1956/ 2013, whichever applicable, the SEBI (SAST) Regulations and/ or any other Regulation(s), the Acquirer intends to take control & make changes in the management of SICFSL.

3. BACKGROUND OF THE ACQUIRER:

3.1 Sharewealth Securities Limited (Acquirer)

- 3.1.1 The Acquirer was incorporated as Sharewealth Securities Limited on March 23, 2005 under the provisions of Companies Act, 1956. There has been no other change in the name of the Acquirer since its incorporation. The corporate identification number of the Acquirer is U67120KL2005PLC018045. The registered office of the Acquirer is situated at Door No. 20/232, Adiyat Lane, Poothole. P. O, West Fort, Thrissur- 680004. Tel. No. 0487 - 2436500; Fax no 0487 2428916; Email: contact@sharewealthindia.com; /ho@sharewealthindia.com; Website: www.sharewealthindia.com
- 3.1.2 As on the date of LOF the Authorised Equity Share Capital of Acquirer is ₹17,00,00,000/- divided into 17000000 shares of ₹10/- each. and Authorised Convertible Preference Capital is ₹ 8,00,00,000 divided into 80,00,000 shares of ₹10/- each. The Paid up Equity Share Capital of Acquirer is ₹ 6,69,10,950 /- divided into 66,91,095 shares of ₹ 10/- each and Convertible Preference Capital is ₹ 7,37,59,910 divided into 73,75,991 shares of ₹10/- each
- 3.1.3 Equity shares of the Acquirer is not listed on any stock exchange in India or abroad.
- 3.1.4 The Acquirer is part of the Sharewealth group.
- 3.1.5 The Acquirer has following subsidiaries:
Sharewealth Commodities Pvt Ltd
Sharewealth Kuries India Ltd
Sharewealth Chits Ltd
- 3.1.6 The present Board of Directors of Acquirer is as follows:

Name	DIN	Date of Appointment	Designation
Unnikrishnan Anchery	00007022	25/05/2018	Director
Thandassery Balachandran Ramakrishnan	01601072	26/09/2009	Managing Director
Anil Menon	02390719	23/03/2005	Director
Ramanathan Anchery	02415497	23/03/2005	Director
Khalid Ambalath Yusaf	02592191	26/09/2009	Director
Vishnu Agarwal	07076474	28/03/2017	Director

- 3.1.7 Share holding pattern as on the date of March 31, 2019 as follows:

Shareholder's Category	Number of Shares held	% of Shares held
Promoters & Promoters group	2813381	42.07
FII/Mutual Funds/FIs/Banks	--	--
Public	3877714	57.93
Total paid Up Capital	6691095	100.00

- 3.1.8 Qualification & Experience of the Directors

- Thandassery Balachandran Ramakrishnan** is Managing Director of the Company since September 26, 2009. He holds the degree of Bachelor of Science from Calicut University. He also holds the NISM Certification. He is having the experience of five years as an EDO in Charge in of Wholesale Pharmaceutical Distributor. Further he served two years as Additional Charge as EDP in charge at Kochin Stock Exchange. He was Authorised Assistant member of Cochin Stock Exchange Ltd for five years. He was elected as Governing Council of Cochin Stock Exchange for two years. He work as CEO in Sharewealth since 2007 January onwards.

2. **Unnikrishnan Anchery** is Director of the company since May 2018. He is the Practising Chartered Accountant and having more than 30 years of experience. R Raheja Group of Companies. He is well experienced in Audit and Taxation. He holds advisory positions in Listed and Unlisted Companies.
3. **Anil Menon** is Director of the company. He holds the Degree of MBBS from Calicut University in 1998. He serves his professional experience at various hospital since 1999. Active participant in primary, Secondary Capital Market and Mutual Funds.
4. **Ramanathan Anchery** is director of the company since 2005. He holds the degree of BE from Sri Venkateswara University in 1969. He is having 25 years of experience in engineering field in different companies in India and abroad. He acted as Investment analyst at stock exchange also. He member of various stock exchanges. Further he is also doing supervising necessary documentations / operations of the company on daily basis as a member in various stock exchanges, conducting equity related training Programs for new clients as well to staff members.
5. **Khalid Ambalath Yusaf** is director of the company since 2009. He holds the degree of LLB form university of Calicut in 1996. He is having the experience in leading District and High court advocate from Thrissur since 1987. He has done specialisation in civil, criminal corporate and property law. He acted as legal advisor for various entities. He is having very rich experience in stock market. He also conducted PMLA related training programs.
6. **Vishnu Agarwal** is director of the company since 2017. He is Practising Company Secretary. He acted as investor advisor and sub broker for the period of 2.5 years He is qualified LIC agent. At present he provide his professional services in merchant banking industry

3.1.9 Except Mr. Unnikrishnan Anchery, none of the Directors of Sharewealth are directors on the board of any listed company. Mr. Unnikrishnan Anchery is the director of following listed companies:

S. No	Name of the Companies	Position Held
1	Innovassynth Investments Limited	Director
2	Marg Techno-Projects Limited	Director
3	Leena Consultancy Limited	Director

3.1.10 Acquirer provides services of savings and investment solutions to all its clients. It provides services of Equities to Derivatives - including Commodities and Currencies, Depository Services to Mutual Funds and Research, IPO, Exchange Traded Funds (ETF) and Systematic Investment Plans (SIP).

Sharewealth Securities Limited, based in Thrissur (Kerala) is promoted by a group of financial market professionals having more than 28 years of experience. Sharewealth has been prioritizing its focus at providing complete end-to-end services of savings and investment solutions to all its clients. Sharewealth is very actively expanding its retail distribution network to reach out to investors nationwide. Presently, Acquirer is offering online trading platform for derivatives, currency futures and commodities with multiple bank payment gateways for online transfer of funds.

Mr. T.B.Ramakrishnan(Ramki) is the CEO & Managing Director of Sharewealth, which has a highly competent, diversified Board of Directors. Mr. T.B. Ramakrishnan(Ramki) is a Stock Market Analyst, Ex. Treasurer & Governing Council Member of Cochin Stock Exchange Ltd (1998-2000) and former Kerala Regional Head of Sharekhan who has got more than 28 years of experience in Financial Markets. He is a writer and gives articles to various investment magazines in Kerala on capital, commodity & currency investments. Also appears on major Television channels in Kerala for giving investment advices & market trends. Sharewealth staff members are well qualified, well experienced & certified to meet high service standards.

The Acquirer is the Member of National Stock Exchange of India Ltd, BSE Limited, and Depository Participant with CDSL having Permanent Registration for Equity based business. Sharewealth group company Sharewealth Commodities Pvt. Ltd. has membership in MCX.

3.1.11 Sharewealth Securities Limited is holding a Permanent Account Number (PAN) AAKCS3101P.

3.1.12 The Networth of Sharewealth Securities Limited as on March 31, 2019 is ₹ 1981.98 Lacs and the same is certified by CA Sajeesh Partner of Sajeesh & Ajith Chartered Accountants, (Membership No. 207625), Chartered Accountant (FRN:014219S) having his office at, #32/1131G, Manakkattu Building, 2nd Floor, Changampuzha Nagar P.O., S.Kalamassery, Kochi - 682033 Tel. No.+91 484 2557732, 2558732; Email: sa.cakochi@gmail.com

3.1.13 The Standalone and Consolidated financial details of SSL as per the audited accounts for the last three financial years ended March 31, 2017; March 31, 2018 and March 31, 2019 are as follows:

Standalone Profit & Loss Statement

Particulars	(₹ in Lakh)		
	31-Mar-17 (Audited)	31-Mar-18 (Audited)	31-Mar-19 (Audited)
Income from Operations	926.21	1,110.72	1095.45
Other Income	141.34	154.63	136.37
Total Income	1,067.55	1,265.35	1231.82

Total Expenditure	990.57	1,107.39	1131.03
Profit/ (Loss) before Exceptional and Extraordinary Item and Tax	76.98	157.96	100.79
Profit/ (Loss) before Extraordinary Item and Tax	76.98	157.96	67.23
Extraordinary Item	-	-	
Profit/ (Loss) before Tax	76.98	157.96	67.23
Less: Current Tax	27.78	46.82	19.22
Deferred Tax (Asset)/Liability	0.27	(1.60)	(1.98)
Profit/ (Loss) After tax	48.93	112.74	46.03

Standalone Balance Sheet

(₹ in Lakh)

Particulars	31-Mar-17	31-Mar-18	31-March-19
	(Audited)	(Audited)	(Audited)
(A) Sources of funds			
Paid up share capital	1,406.71	1,406.71	1406.71
Reserves & Surplus (excluding revaluation reserves)	40.24	152.98	199.01
Net Worth	1,446.95	1,559.69	1605.72
Non-Current Liabilities	206.01	174.69	144.19
Total (A)	1,652.96	1,734.38	1749.91
(B) Uses of funds			
Net Fixed Assets	386.22	389.13	377.69
Intangible Assets	4.81	4.32	6.48
Non-Current Investment	532.59	532.59	532.59
Deferred Tax Assets(Net)	22.06	23.67	21.68
Long Term Loans & Advances	144.76	139.56	112.66
Net Current Assets	562.52	645.11	698.81
Total (B)	1,652.96	1,734.38	1749.91

Other Financial Data

For the Year Ended	31-Mar-17	31-Mar-18	31-Mar-19
	(Audited)	(Audited)	(Audited)
Dividend (%)	--	--	--
Earnings Per Share (₹)			
Basic/ Diluted Earnings Per Share	0.73	1.68	0.69
Return on Net worth (%)	3.38	7.23	2.87
Book Value Per Share (₹)	21.62	23.31	24.00

Consolidated Profit & Loss Statement

(₹ in Lakh)

Particulars	31-Mar-17	31-Mar-18	31-Mar-19
	(Audited)	(Audited)	(Audited)
Income from Operations	1,303.50	1,495.09	1,443.90
Other Income	166.64	217.51	201.75
Total Income	1,470.13	1,712.60	1,645.65
Total Expenditure	1,117.35	1,279.71	1306.86
Profit/ (Loss) before Exceptional and Extraordinary Item and Tax	352.78	432.89	338.79
Depreciation	28.60	31.89	27.62
Interest	138.68	156.01	149.29
Profit/ (Loss) before Tax	185.51	244.99	161.88
Less : Current Tax	66.01	72.65	49.59
Deferred tax (Asset)/Liability	7.01	(0.63)	3.32
Profit/ (Loss) after tax	112.49	172.97	108.97
Share of Profit Transferred to Minority interest	(3.12)	(2.88)	(2.83)
Profit/(Loss) for the period(After Adjustment for Minority Interest)	109.37	170.09	106.14

Consolidated Balance Sheet

(₹ in Lakh)

Particulars	31-Mar-17	31-Mar-18	31-Mar-19
	(Audited)	(Audited)	(Audited)
Sources of funds			
Paid-up Share Capital	1,406.71	1,406.71	1406.71
Reserves & Surplus (excluding revaluation reserves)	278.90	448.99	555.14
Less:- Miscellaneous Expenditure not written off	-	-	-
Minority Interest	14.42	17.30	20.14
Net Worth	1,700.04	1,873.01	1981.98
Secured loans	149.13	118.26	87.40
Unsecured loans	-	-	-
Total	1,849.16	1,991.27	2069.38
Uses of funds			
Net Fixed Assets	610.04	601.51	713.85
Investments	0.50	0.50	0.50
Net Current Assets	1,238.62	1,389.26	1,355.03
Total	1,849.16	1,991.27	2069.38

Other Financial Data

For the Year Ended	31st March, 2017	31st March, 2018	31st March, 2019
	(Audited)	(Audited)	(Audited)
Dividend (%)	-	-	-
Earning Per Share (₹)	1.68	2.59	1.63
Return on Net worth (%)	6.62	9.23	5.50
Book Value Per Share (₹)	25.41	27.99	29.62

Note

- (i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/ period.
- (ii) Return on Net Worth = Profit after Tax / Net Worth
- (iii) Book Value per Share = Net Worth / No. of equity shares
- (iv) Source: Audited Annual Reports/ Audited Financial Statements

3.1.14 Contingent Liabilities

Contingent Liabilities of the company as on 31.03.2019

Particular	As at 31 March, 2019	As at 31 March, 2018
i) Contingent Liabilities		
a) Demand against the company not acknowledged as debts		
- Income Tax	₹ 156885/-	₹ 6,95,130/-
- Service Tax	₹ 5,73,836/-	₹ 5,73,836/-
- Provident Fund	₹ 6,89,855/-	₹ 6,89,855/-
ii) Commitments	Nil	Nil

According to the information and explanation given to us, the following dues of income tax, service tax, provident fund, employees' state insurance and cess which have not been deposited as on 31 March, 2019 on account of disputes:

SI No.	Name of the Statute	Nature of Dues	Amount (In ₹)	Period to which the amount relate	Forum where dispute is pending
1	Service Tax	Service Tax	5,73,836/-	01.04.2006 to 15.05.2008	Customs, Excise and Service tax Appellate Tribunal, Bangalore
2	EPF & MP Act, 1952	Provident Fund	6,89,855/-	April 2010 to February 2011	EPF Appellate Tribunal set aside with a direction to make a fresh assessment.
3	Income Tax Act, 1961	Income Tax	156885/-	Assessment Year 2010-11	Commissioner of Income Tax (Appeals), Thrissur

- 3.1.15 Sharewealth Securities Limited has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other Regulation made under the SEBI Act.
- 3.1.16 Acquirer has confirmed that it is not categorized as a "Willful Defaulter" in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011. It has further confirmed that it is not appearing in the willful defaulters list of the Reserve Bank of India.
- 3.1.17 Sharewealth Securities Limited is not forming part of the present Promoter group of the Target Company. As on date of this LOF, there is/are no nominee(s) of the Acquirer on the Board of Directors of the Target Company.
- 3.1.18 Except the transaction contemplated in the Share Purchase Agreement ("SPA"), the company does not have any other relationship/interest in the Target Company.
- 3.1.19 The entities promoted/controlled/managed by Acquirer is as under:

Sl. No.	Name of the Shareholders	Number of equity shares held	% of total Equity Shares held/ Share of Partnership etc.
1.	Ramakrishnan Thandassery Balachandran	14,81,895	22.14%
2.	Anchery Ramanathan	3,98,128	5.95%
3.	Anchery Unnikrishnan	3,69,581	5.52%
4	Dr. Anil Menon	6,31,039	9.43%
5	Princy Chummar	1,63,426	2.44%

- 3.1.20 There are no other ultimate beneficial owner other than Ramakrishnan Thandassery Balachandran, Anchery Ramanathan, Anchery Unnikrishnan, Dr. Anil Menon and Princy Chummar in relation to the Offer within the meaning of 2(1)(q) of SEBI (SAST) Regulations.
- 3.1.21 Acquirer does not hold any Equity Shares of the Company as on the date of this DPS. Therefore the provisions of chapter V of the SEBI (SAST) Regulations, 2011 and provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable.
- 3.1.22 The Acquirer undertakes that they will not sell the Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.

4. BACKGROUND OF S.I.CAPITAL & FINANCIAL SERVICES LIMITED ("SICFSL" or "TARGET COMPANY")

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

- 4.1** The Target Company was incorporated as a S.I.Capital & Financial Services Limited (SICFSL) under the provisions of the Companies Act, 1956 on November 08, 1994 in the State of Tamil Nadu. The CIN of SICFSL is L67190TN1994PLC029151. The registered office of the Target Company is presently situated at 64, Montieth Road, Egmore, Chennai, Tamil Nadu- 600008 India, Phone No.: +91-44-28415438,28415439,42145840 , Email Id: info@sicapital.co.in.
- 4.2** The Target Company is registered with Reserve Bank of India as a Non- Deposit taking Non- Banking Financial Company ('NBFC') vide Registration No. 07.00078 dated 15.03.1998, in terms of Section 45IA of the Reserve Bank of India Act, 1934. The Target Company, at present, is engaged into activities of providing loans and forex activities.
- 4.3** As on the date of DOLF the Authorised Share Capital of SICFSL is ₹ 3,50,00,000/- comprising of 35,00,000 equity shares of ₹ 10/- each. The Issued, Subscribed & Paid-up Capital of the SICFSL is ₹ 3,00,00,000/- comprising of 30,00,000 equity shares of ₹ 10/- each.
- 4.4** As on date of the Letter of Offer, the capital structure of the Target Company is as follows:

Paid up Equity Shares of Target Company	No. of Shares / Voting Rights
Authorized Equity Shares	35,00,000 Equity Shares of ₹10.00 each
Fully Paid-up Equity Shares	30,00,000
Partly Paid-up Equity Shares	Nil
Total Paid-up Equity Shares	30,00,000 Equity Shares of ₹10.00 each
Total voting rights in the Target Company	30,00,000 Equity Shares of ₹10.00 each

- 4.5** As on date the Target Company does not have any partly paid equity shares. There are no outstanding warrants or options or similar instruments, convertible into equity shares at a later stage. No shares are subject to any lock in obligations.
- 4.6** The entire equity shares capital of SICFSL are listed at BSE Limited. The equity shares of the Target Company are placed under Group 'P' having a scrip code of "530907" & Scrip Id: SICAPIT on the BSE. The equity shares of SICFSL are not frequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations. The Target Company has already established connectivity with Central depositories Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).
- 4.7** During the last three (3) years SICFSL not involved any merger / demerger, spin off or there is no change of name since the incorporation.

4.8 Due to noncompliance, the target company was suspended and the said suspension in trading of equity shares has been revoked w.e.f. April 27, 2018 vide Notice No 20180419-17 dated April 19, 2018.

4.9 There has been no merger / demerger or spin off during the last 3 years.

4.10 The Target Company and Promoter and Promoter Group of the Target Company has not complied any compliance under Chapter II provisions of SEBI (SAST), Regulations 1997 and Chapter V of the SEBI (SAST) 2011. During the following financials year, the shareholding of the Promoter and Promoter group has been increased by more than 5%, which resulted to trigger the open offer under creeping acquisition as per Regulation 3(2) of SEBI (SAST) 2011. However, Promoters of the Target Company has not make PA, which has resulted into violation of open offer. Brief details are mentioned below:

Financial Year	Shareholding of the Promoter and Promoter Group
2013-14	Shareholding of the Promoter and promoter group has been increased from 43.29% to 51.50% i.e 8.21% (more than 5% in a financial year)
2014-15	Shareholding of the Promoter and promoter group has been increased from 51.50% to 57.46% i.e 5.96% (more than 5% in a financial year)

During the financial year 2014-15, Khaleeli M A C, Abraham Thomas, Sashikumar C, N.T Kadavill and George C A have acquired shares of the Target Company and are being shown as part of the Promoter and Promoter Group of the Target Company under clause 35 of the Listing agreement, as filed with the Stock Exchange i.e BSE Limited from the quarter ended September 2014 till date. However, no open offer has been made pursuant to partially change of control. On the basis of confirmation made by Target Company, the five promoters are no more.

However the Target Company has wrongly shown the above names as part of the Promoter and Promoter Group of the in the Shareholding pattern as per Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Due to aforesaid violation of open offer, non-compliance of Chapter II of SEBI (SAST) 1997 Chapter V of SEBI (SAST) 2011 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI may initiate appropriate action against the Promoters and Target Company for the violation in terms of Regulations and provisions of the SEBI Act.

Target Company has also failed to make disclosures as per Regulation 8(3) of SEBI (SAST) 1997 and the said disclosure has been submitted with a delay of 2902 days. Pursuant to this violation, Target Company has made settlement application. Accordingly, a Notice of Summary Settlement was issued to the applicant on May 29, 2019, intimating thereby the applicant that the aforesaid default may be settled and disposed of upon remittance of the settlement amount of ₹3,44,013/- (Rupees Three Lakh Forty Four Thousand and Thirteen Only), amount arrived in terms of the Settlement Regulations, within 10 working days from the date of receipt of the notice. In reply, the applicant vide letter dated June 06, 2019, remitted a sum of ₹3,44,013/- towards settlement charges by way of Demand Draft bearing no.030280 dated June 04, 2019, drawn on Axis Bank Limited

4.11 The present Board of Directors of SICFSL are as follows:

Sl. No.	Name	DIN	Designation
1.	Sanjay Arjundas Wadhwa	0000203083	Director
2.	Mary Rodrigues	0001778843	Managing Director
3.	Suzanne Venglet	0001876633	Director
4.	Shanmugham Ramesh	0006665080	Independent Director
5.	Chintan Bharat Shah	008292828	Independent Director

4.12 Financial Information:

The financial details of SICFSL as per the audited accounts for the last three financial years ended March 31, 2017, March 31, 2018 and March 31, 2019 are as follows:

Profit & Loss Statement

Particulars	(₹ in Lakh)		
	31-Mar-17 (Audited)	31-Mar-18 (Audited)	31-Mar-19 (Audited)
Income from Operations	9.90	8.50	9.62
Other Income	8.41	5.80	16.59
Total Income	18.31	14.31	26.21
Total Expenditure	30.47	62.18	39.58
Profit/ (Loss) before Interest, Depreciation and Tax	-12.16	-47.87	-13.37
Depreciation	2.71	1.85	1.84

Interest	0.03	0.23	-
Profit/ (Loss) before Interest, Depreciation and Tax	-14.96	-49.96	-15.21
Add: Exceptional Items	4.62	142.67	7.97
Less: Transfer to Reserve	--	18.54	--
Less: Current Tax	--	14.50	0.02
Less: Tax of Earlier Years	--	--	--
Deferred Tax	(0.12)	0.25	--
Profit/ (Loss) After tax	(10.46)	59.42	(7.26)

Balance Sheet

(₹ in Lakh)

Particulars	31-Mar-17	31-Mar-18	31-Mar-19
	(Audited)	(Audited)	(Audited)
(A) Sources of funds			
Paid up share capital	300.00	300.00	300.00
Reserves & Surplus (excluding revaluation reserves)	-85.00	-8.73	-18.73
Less: Miscellaneous Expenditure not written off	--	--	--
Net Worth	215.00	291.27	281.27
Long Term Provision	4.34	4.84	5.29
Unsecured loans	--	--	--
Current Liabilities			2.37
Total (A)	219.34	296.11	288.93
(B) Uses of funds			
Net Fixed Assets	80.24	4.97	1.06
Investments	1.01	1.01	1.01
Deferred Tax Assets(Net)	7.56	7.31	7.29
Long Term Loans & Advance	0.81	0.81	0.81
Net Current Assets	129.72	282.01	278.96
Total (B)	219.34	296.11	288.93

Other Financial Data

For the Year Ended	31-Mar-17	31-Mar-18	31-Mar-19
	(Audited)	(Audited)	(Audited)
Dividend (%)	--	--	--
Earnings Per Share (₹)	-0.35	1.98	-0.24
Return on Net worth (%)	(4.87)	20.40	(2.8758)
Book Value Per Share (₹)	7.17	9.71	249.38

* Non annualised

Note:

- EPS = Profit after tax / number of outstanding equity shares at the close of the year/ period.
- Return on Net Worth = Profit after Tax / Net Worth
- Book Value per Share = Net Worth / No. of equity shares
- Source: Audited Annual Reports/ Audited Financial Statements

4.13 Pre and Post-Offer Shareholding Pattern of SICFSL (based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under:

Shareholders' Category	Shareholding/voting rights prior to the SPA/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding /voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group:								
(a) Parties to Agreement:								
V A Kurien								
Sanjay Arjundas Wadhwa	17,99,950	60.00%	(17,99,950)	(60.00 %)				

Susie Abraham								
Mary Rodrigues								
Suzanne Venglet								
Arjundas Pokardas HUF								
Mohini A Wahdwa								
Sanjay A Wadhwa HUF								
Arjundas Pokardas								
Southern Warehousing Co Pvt								
Total	17,99,950	60.00%	(17,99,950)	(60.00 %)	-	-	-	-
(b) Promoters other than (a) above @								
Sanjay Arjundas Wadhwa	(29,000)	(0.97%)	-	-			-	-
Kadavill N T	(910)	(0.03%)					-	-
George C A	(10)	(0.00%)					-	-
Sasikumar c	(10)	(0.00%)					-	-
Abraham Thomas	(10)	(0.00%)					-	-
Khaleeli M A C	(10)	(0.00%)					-	-
Total	(29,950)	(1.00%)	-	-			-	-
Total 1 (a+b)	17,99,950	60.00%	(17,99,950)	(60.00 %)			-	-
2. Acquirer:								
Sharewealth Securities Limited	-	0.00%	17,99,950	60.00%	7,80,000	26.00	25,79,950	86.00%
Total 2	-	0.00%	17,99,950	60.00 %	7,80,000	26.00	25,79,950	86.00%
3. Parties to Agreement other than 1(a) & 2	-	-	-	-	-	-	-	-
4. Public (other than Parties to Agreement and Acquirer) #								
a.FIs/MFs/FIIs/Banks /SFIs (Indicate names)	9200	0.30	-	-				
b. Others	11,60,900	38.70%	-	-				
c. other than parties to SPA)from Promoter and Promoter Group	29,950	1.00%						
Total No. of Shareholders in Public Category, i.e 1649					(7,80,000)	(26.00)		-
Total (4) (a+b+c)	12,00,050	40.00%					4,20,050	14.00%
GRANDTOTAL (1+2+3+4)	30,00,000	100.00 %					30,00,000	100.00 %

Note: 29,950 shares (1.00%) shall be considered as public shareholding after completion of open Offer.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS:

5.1 Justification of Offer Price:

5.1.1 The Equity Shares of the Target Company are listed at the BSE Limited (BSE) only. The shares are placed under Group 'P' having a scrip code of "530907" & Scrip Id: SICAPIT on the BSE.

5.1.2 The total trading turnover in the Equity Shares of the Target Company on the BSE based on trading volume during the twelve calendar months prior to the month of PA (December 01, 2017 to November 30, 2018) 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 of the Target Company	Total Trading Turnover (as % of total equity shares Listed)
BSE	10,500	30,00,000	0.35%

5.1.3 Based on the above information, equity Shares of SICFSL are not frequently traded shares within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations.

- 5.1.4 The Offer Price has been determined taking into account the parameters as set out under regulation 8 (2) of the SEBI (SAST) Regulations, as under:

Sr. No.	Particulars	Price (In ₹ per share)
1.	Negotiated Price under the SPA	₹ 16/-
2.	The Volume Weighted Average Price paid or payable for acquisitions by the Acquirer during 52 weeks immediately preceding the date of PA	Not Applicable
3.	Highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA	Not Applicable
4.	The Volume Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	Not Applicable
5.	Other Financial Parameters as at 31 st March 2018:	
	(a) NAV per Equity share	9.71
	(b) Price Earning Capacity Value per Equity Share	4.24
	(c) Market Based Value	6.58

CA Pramod Kumar Jain Proprietor of M/S PRAMOD P JAIN & CO Chartered Accountants, (Membership No. 125748, Firm Reg. No. 136226W) having its office at 203A, 2nd Floor, Ganesh Leela, Bhd. Balaji Hospital Mira Bhay. Road, Thane-401105 India, Tele: +91 98332 80557, +91 79773 27300, E-mail: pramodjainca@gmail.com vide certificate dated December 03, 2018 has stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 Com case 30), the fair value of the equity shares of Target Company is ₹ 6.27 per share.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 16/- per equity share being the highest of the prices mentioned above. Further, pursuant to delay in receipt of prior approval from the RBI, resulting in delay of 98 days in making payment to the eligible shareholders, an interest at the rate of 10% (ten percent) per annum for the period of 98 days i.e., Re. 0.43 has been added to the price.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 16.50/- per equity share is justified in terms of regulation 8 (2) of the SEBI (SAST) Regulations.

Note: SEBI vide its Letter No. SEBI/HO/CFD/DCR-2/OW/P/2018/13437/1 dated May 28, 2019 has directed to the Acquirer to pay the interest @ 10 p.a for delay.

- 5.1.5 As on date there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirer shall comply with Regulation 18 of SEBI (SAST) Regulations and all other applicable provisions of SEBI (SAST) Regulations.
- 5.1.6 If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to one(1) working days before the date of commencement of the tendering period and would be notified to shareholders.
- 5.1.7 If the Acquirer acquires or agrees to acquire any Equity 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 Regulations. Provided that no such acquisition shall be made after the one working day prior to the commencement of the tendering period and until the expiry of the tendering period. Further, in accordance with Regulations 18(4) and 18(5) of the Regulations, in case of an upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, the Acquirer shall (i) make public announcement in the same newspapers in which this DPS has been published; and (ii) simultaneously notify to SEBI, BSE, and the Target Company at its registered office. Such revision would be done in compliance with other formalities prescribed under the Regulations.
- 5.1.8 If the Acquirer acquires 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, the Acquirer 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 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.

5.2 Financial Arrangements:

- 5.2.1 In terms of Regulation 25(1), the Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their own sources/ Network and no borrowings from any Bank and/ or Financial Institutions are envisaged. CA Sajeev Partner of Sajeev & Ajith, Chartered Accountants, (Membership No. 207625, Firm Reg. No. 014219S, having its office at #32/1131G, Manakkattu Building, 2nd Floor, Changampuzha Nagar

P.O., S.Kalamassery, Kochi - 682033 Tel. No.+91 484 2557732, 2558732; Email: sa.cakochi@gmail.com vide certificate dated December 03, 2018 stated that sufficient resources are available with Acquirer for fulfilling the obligations under this Offer in full.

The maximum consideration payable by the Acquirer to acquire 7,80,000 fully paid-up equity shares at the Offer Price of ₹16.50/- (Rupees Sixteen and Fifty Paise Only) per equity share, assuming full acceptance of the Offer would be ₹ 1,28,70,000/- (Rupees One Crore Twenty-Eight Lakh Seventy Thousand Only). In accordance with proviso clause to regulation 24(1) read with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account under the name and style of "SICFSL- Open Offer Escrow Account" with Kotak Mahindra Bank Limited, 27 BKC, C27 G Block, Bandra Kurla Complex, Bandra (East) Mumbai-400051 ("Escrow Banker") and made therein a cash deposit of ₹ 31,50,000/- (Rupees Thirty One Lakh Fifty Thousand Only) being more than 25% of the total consideration payable in the Open Offer, assuming full acceptance.

- 5.2.2 Pursuant to increase in offer price, additional amount of Rs 1,00,000/- in the Escrow Account has been deposited. The aggregate of the additional amount and the amount of Rs 31,50,000/- (Rupees Thirty One Lakh Fifty Thousand Only) originally deposited by the Acquirer in the Escrow Account, is more than 25% of revised maximum consideration payable by the Acquirer under this Offer (assuming full acceptance of this Offer); The total revised aggregate amount is ₹32,50,000/- (Rupees Thirty Two Lakh Fifty Thousand Only) of the revised maximum consideration payable under this Offer
- 5.2.3 The Manager to the Offer is authorized to operate the above mentioned Escrow account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 5.2.4 Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirer to fulfill its obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations.
- 5.2.5 In case of upward revision of the Offer Price and/or the Offer Size, the Acquirer shall deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18(5) of the Regulations, prior to effecting such revision.

6. TERMS AND CONDITIONS OF THE OFFER:

- 6.1 The Letter of Offer will be mailed to all those shareholders of SICFSL (except the Acquirer and the parties to the SPA) whose name appear on the Register of Members and to the beneficial owners of the shares of the SICFSL whose names appear on the beneficial records of the Depository Participant, at the close of business hours on August 22, 2019 ("**Identified Date**").
- 6.2 All owners of the shares, Registered or Unregistered (except the Acquirer and the parties to the SPA) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer as per the procedure set out in Para 7 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.
- 6.3 Accidental omission to dispatch this LOF or the non-receipt or delayed receipt of this LOF will not invalidate the Offer in anyway.
- 6.4 Subject to the conditions governing this Offer, as mentioned in the LOF, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.
- 6.5 In terms of the Regulation 18(9) of the SEBI (SAST) Regulations, 2011, Public Shareholders who tender their Equity Shares in the Offer shall not be entitled to withdraw such acceptance.
- 6.6 **Locked-in Shares:**
- There are no locked-in shares in SICFSL.
- 6.7 **Eligibility for accepting the Offer:**
- 6.7.1 The Letter of Offer shall be mailed to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form (except the present promoter group shareholders and Acquirer) whose names appear in register of Target Company as on August 22, 2019, the Identified Date.
- 6.7.2 This Offer is also open to persons who own Equity Shares in Target Company but are not registered Shareholders as on the Identified date.
- 6.7.3 All Equity Shareholders/Beneficial Owners (except the present promoter group, Shareholders, and the Acquirer) who own Equity Shares of Target Company any time before the closure of the Offer are eligible to participate in the Offer.
- 6.7.4 The Form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, S.K.D.C Consultant Limited, , having office at Kanapathy Towers,3rd Floor,1391/A1, Sathy Road,Ganapathy, Coimbatore 641 006, India91-422-4958995,2539835-36 ; Fax No.: 91-422-2539837, E-mail-Id: info@skdc-consultants.com. The Contact Person is K. Narendra from 10:00 a.m. to 5:00 p.m. on working days (except Saturdays, Sundays and all public holidays), during the period the Offer is open.

- 6.7.5 The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance from the SEBI's website for applying in the Offer.
- 6.7.6 Unregistered Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Shareholders.
- 6.7.7 The acceptance of this Offer by the Equity Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 6.7.8 The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s)/beneficial owner(s) of Target Company.
- 6.7.9 The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, etc. during transit and the Equity Shareholders of Target Company are advised to adequately safeguard their interest in this regard.
- 6.7.10 The acceptance of Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 6.7.11 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

6.8 Statutory Approvals and conditions of the Offer:

- 6.8.1 To the best of knowledge and belief of the Acquirer, as of the date of this LOF, all statutory approvals required for this Open Offer inter alia including approval of Reserve Bank Of India in terms of paragraph 59 of Master Direction DNBR.PD.007/03.10.119/2016-17, September 01, 2016 [Master Direction – Non Banking Financial Company-Non Systematically Important Non Deposit taking Company (Reserve Bank) Directions, 2016 has been obtained by the Target Company vide letter no DNBS (Che)/CAT- B/No / 172/13.23.380/2018-19 dated August 20, 2019. However, if any other statutory approvals are required prior to completion of this offer, this offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.
- 6.8.2 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required & received 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 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.
- 6.8.3 The Acquirer in terms of Regulation 23 of SEBI (SAST) Regulations will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has appeared.
- 6.8.4 In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of Regulation 18(11) of SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER:

- 7.1 The Open Offer shall be implemented by the Acquirer through using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.
- 7.2 BSE Limited shall be the designated stock exchange for the purpose of tendering Equity Shares in the Open Offer.
- 7.3 The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE, which shall be the Designated Stock Exchange, in the form of a separate window ("**Acquisition Window**").
- 7.4 For implementation of the Open Offer, the Acquirer has appointed Acumen Capital Market (I) Ltd (the "**Buying Broker**") through whom the purchases and settlements on account of the Open Offer would be made by the Acquirer. The contact details of the Buying Broker are as follows:

Name	Acumen Capital Market (I) Ltd
Address	S T Reddiar & Sons Building, Veekshnam Road, Ernakulam -682035
Contact No.	9446064424
Email Id	admin@acmlmail.com
Contact Person	Mr Madhusudhanan E P

- 7.5 All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers ("Selling Broker"), during the normal trading hours of the secondary market during the Tendering Period.
- 7.6 The Acquisition Window provided by BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for demat equity shares as well as physical equity shares.
- 7.7 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period.
- 7.8 Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).

7.8.1 For Equity Shares held in physical form:

As per the proviso to Regulation 40(1) of the LODR Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 and March 27, 2019 issued by SEBI, effective 39 from April 1, 2019, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form with a Depository. Accordingly, the Eligible Public Shareholders desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized and are advised to approach the concerned DP to have their Equity Shares dematerialized.

7.8.2 For equity shares held in Demat Form:

1. 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 Selling Broker, indicating details of Shares they wish to tender in Open Offer.
2. 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.
3. 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.
4. 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 BSE / Clearing Corporation, before the opening of the Offer.
5. Upon placing the bid, the seller member(s) shall provide Transaction Registration slip ("TRS") generated by the Exchange Bidding System to the shareholder. TRS will contain details of order submitted like Bid ID No. DP ID, Client ID, No of Shares tendered etc.
6. 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. 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 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.

9. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF THE 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.

The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company. 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 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.

10. SETTLEMENT PROCESS

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.

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.

The direct credit of shares shall be given to the demat accounts of the Acquirer indicated by the Acquirer's Buying Broker. For the same, the existing facility of client direct payout in the capital market segment shall be available.

Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the Buying Broker's pool account.

In case of partial or non-acceptance of orders or excess pay-in, Demat Shares shall be released to the securities pool account of the Selling Broker(s) / Custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.

11. SETTLEMENT OF FUNDS / PAYMENT CONSIDERATION

For Equity Shareholders holding Equity Shares in demat :

The settlements of fund obligation for demat shall be effected by clearing corporation. For the equity shares accepted under the open offer, the payment will be made by the Clearing Corporation to the shareholders directly to their bank account.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Public Shareholder will receive funds payout in their settlement bank account.

The funds received from Buyer Broker by the Clearing Corporation will be released directly, to Public Shareholder.

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

12. NOTE ON TAXATION

The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Act. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "Situs" of such shares. "Situs" of the shares is generally where a company is "incorporated". Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act, 1961 ("IT Act").

Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for income-tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e. stock-in-trade).

The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates.

Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year.

The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.

Taxability of Capital Gain in the hands of the Public Shareholders:

- i. The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the capital gains tax would be calculated on gains exceeding INR 100,000 (Indian

Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any capital gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

- ii. As per section 111A of the Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).
- iii. Any applicable surcharge and education cess would be in addition to above applicable rates.
- iv. In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirer shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. However, in case of non-resident Public Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealers/ tax advisors appropriately.

The tax implications are based on provisions of the IT Act as applicable as on date of this Letter of Offer. In case of any amendment made effective prior to the date of closure of this Offer, then the provisions of the IT Act as amended would apply.

Notwithstanding the details given above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws. The final tax liability of the Public Shareholder shall remain of such Public Shareholder and the said Public Shareholder will appropriately disclose the amounts received by it, pursuant to this Offer, before the Indian income tax authorities.

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER AND PAC AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.

13. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, Capitalsquare Advisors Private Limited 208, 2nd Floor, AARPEE Center, MIDC Road No 11, CTS 70, Andheri (E), Mumbai 400093, Maharashtra, India on any working day between 10.00 a.m. and 5.00 p.m. during the period the Offer is open i.e., from January 24, 2019 to February 06, 2019.

- i) Memorandum & Articles of Association of S.I.Capital & Financial Services Limited along with the Certificate of Incorporation.
- ii) Memorandum & Articles of Association of Sharewealth Securities Limited along with the Certificate of Incorporation.
- iii) Certificate dated December 03, 2018 from CA Sajeew Partner of Sajeew & Ajith , Chartered Accountants, (Membership No. 207625, Firm Reg. No. 014219S) having its office at #32/1131G, Manakkattu Building ,2nd Floor, Changampuzha Nagar P.O., S.Kalamassery, Kochi - 682033 Tel. No.+91 484 2557732, 2558732; Email: sa.cakochi@gmail.com certifying that the Acquirer has sufficient resources available for the implementation of the Offer in full out of its own sources / financial commitment under this "Offer" in full.
- iv) Certificate dated December 03, 2018 from CA Pramod Kumar Jain Proprietor of M/S PRAMOD P JAIN & CO Chartered Accountants, (Membership No. 125748, Firm Reg. No. 136226W) having its office at 203A, 2nd Floor, Ganesh Leela, Bhd. Balaji Hospital Mira Bhay. Road, Thane-401105 India, Tele: 91 9833280557, 91 7977327300, E-mail: pramodjainca@gmail.com relating to the fair value of the equity shares of the Target Company.
- v) Audited Annual Reports for the financial year ended last three financial years ended, March 31, 2017, March 31, 2018 and March 31 2019 of S.I.Capital & Financial Services Limited.
- vi) Audited Annual Reports for the financial year ended last three financial years ended, March 31, 2017, March 31, 2018 and March 31, 2019 of Sharewealth Securities Limited.
- vii) Bank Statement received from, Kotak Mahindra Bank Ltd dated December 05, 2018 confirming the balance of ₹ 31,50,000/- in the Escrow Account and marked lien in favour of Manager to Offer.
- viii) Bank Statement received from Kotak Mahindra Bank Limited dated August 23, 2019 confirming the balance of Rs 32,50,000/- in the Escrow Account and and marked lien in favour of Manager to Offer.
- ix) The copy of Share Purchase Agreement dated December 03, 2018 between the Sellers and the Acquirer, which triggered the Open Offer.
- x) Copy of the Public Announcement dated December 03, 2018 and published copy of the Detailed Public Statement dated December 10, 2018.

- xi)** Copy of the recommendations to be published on September 04, 2019 made by the Committee of Independent Directors of the Target Company.
- xii)** Copy of SEBI Observation letter no. **SEBI/HO/CFD/DCR-2/OW/P/2019/12353/1** dated **May 16, 2019**.
- xiii)** Escrow Agreement between Acquirer, Kotak Mahindra Bank Ltd and Manager to the Offer.
- xiv)** Copy of Agreement dated December 03, 2018 between the Acquirer and S.K.D.C. Consultants Limited to act as the Registrar to the Offer and share transfer agent for the purpose of this Offer.
- xv)** Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer, dated December 03, 2018.

14. DECLARATION BY THE ACQUIRER:

For the purpose of disclosures in this Letter of Offer relating to the Target Company the Acquirer has relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer, accept full responsibility for the information contained in this Letter of Offer and also accept responsibility for the obligations of the Acquirer as laid down in the Takeover Regulations. The Acquirer shall be responsible for ensuring compliance with the Takeover Regulations.

ON BEHALF OF THE ACQUIRER:

Sd/-

Place: Mumbai

Date: August 26, 2019

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

To,
[•]
[•]

Date:

OFFER			
Opens on	September	06,	2019, Friday
Closes on	September	20,	2019, Friday

Dear Sir,

Subject: Open Offer by Sharewealth Securities Limited ("Acquirer") to the shareholders of S.I.Capital & Financial Services Limited ("Target Company" or "SICFSL") to acquire from them up to 7,80,000 equity shares of ₹ 10/- each representing 26% of the equity and voting share capital of SICFSL @ ₹ 16.50/-per fully paid-up equity share.

I/We refer to the Letter of Offer dated August 26, 2019 for acquiring the equity shares held by us in S.I.Capital & Financial Services Limited.

I/We, the undersigned have read the Letter of Offer, understood its contents including the terms and conditions as mentioned therein.

FOR EQUITY SHARES IN DEMATERIALIZED FORM

I/We holding the shares in the dematerialized form accept the offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participants "DP" in respect of my/our shares as detailed below:

DP Name	DP ID	Client ID	ISIN NO.	Beneficiary Name	No. of Shares
Total number of shares					

Any investor who is desirous of tendering shares which are held in physical form after April 01, 2019 can do so only after the shares are in dematerialized form with Depository. Thus, Shareholders holding shares in Physical Form should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in this Offer by or before the closure of the Tendering Period.

I/We have done an off market transaction for crediting the Shares to the Special Depository Account opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.

I/We note and understand that the Shares would reside in the Special Depository Account opened for the purpose of this Offer until the time the Acquirer accepts the Shares and makes the payment of purchase consideration as mentioned in the DLOF.

I/We confirm that the equity shares of S.I.Capital & Financial Services Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.

I/We authorise the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post as may be applicable at my/our risk, the draft /cheque/ warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I/We authorize the Acquirer to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and Delivered

	Full Names (s) of the holders	Address& Telephone No.	Signature
First/Sole Holder			
Joint Holder 1			

Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.

Place:

Date:

Bank Details

So as to avoid fraudulent encashment in transit, and also to enable payment through ECS the shareholder(s) may, at their option, provide details of bank account of the first / sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

I / We permit the Acquirer or the Manager to the Offer to make the payment of Consideration through Electronic Clearance Service (ECS) of the Reserve Bank of India based on the Bank Account Details provided below and a photo copy of cheque is enclosed. Alternatively amount will be credited to be to be Bank account as given by the depository.

Savings/Current/(Others; please specify) : _____

Name of the Bank Branch: _____

Account Number: _____ IFSC Code of Bank _____

The Permanent Account Number (PAN No.) allotted under Income Tax Act, 1961 is as below:

	1 st Shareholder	2 nd Shareholder	3 rd Shareholder
PAN No.			

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

Acknowledgement slip

DP ID _____ Client ID _____ Received from _____
 _____ an application for sale of _____ Equity Share(s) of S.I.Capital & Financial Services Limited photocopy of "Off-market" delivery instruction duly acknowledged by the DP.

Note: All future correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned above.

Date of receipt

Signature of the official

INSTRUCTIONS

- i. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance cum Acknowledgement.
- ii. The Form of Acceptance cum Acknowledgement should be filled-up in English only.
- iii. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
- iv. Mode of tendering the Equity Shares Pursuant to the Offer:**
 - (i) The acceptances of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of SICFSL.
 - (ii) Shareholders of SICFSL to whom this Offer is being made, are free to Offer his / her / their shareholding in SICFSL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.