DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer ("**LoF**") is sent to you as a Equity Shareholder(s) of **Emerald Leasing Finance and Investment Company Limited ("Emerald"/"Target Company")**. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or Keynote Corporate Services Ltd. ("**Manager to the Offer**") or Mas Services Limited ("**Registrar to the Offer**"). In case you have recently sold your shares in the Target Company, please hand over this LoF and the accompanying Form of Acceptance cum Acknowledgment and Transfer Deed to the member of stock exchange through whom the said sale was affected.

CASH OFFER ("OFFER") AT A PRICE OF ₹ 17.20 (RUPEES SEVENTEEN AND TWENTY PAISE ONLY) PER EQUITY SHARE INCLUDING INTEREST OF ₹7.20 (RUPEES SEVEN AND TWENTY PAISE ONLY) PER EQUITY SHARE ("OFFER PRICE")

[Pursuant to Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("**SEBI (SAST) Regulations**") and subsequent amendments thereto]

TO ACQUIRE

From the existing equity shareholders upto 6,09,000 equity shares of ₹10/- each forming 20% of the voting share capital

OF

EMERALD LEASING FINANCE & INVESTMENT COMPANY LTD.

CIN: L65993DL1983PLC016993

Registered office: 59,First Floor, Uday Park, New Delhi 110 049 India

Tel: +91 11 64645385 Fax: +91 1164738555; email id: emerald_finance@yahoo.com

(hereinafter referred to as **"Target Company/ Emerald"**)

BY

Mr. Sanjay Aggarwal and Mr. Ram Swaroop Aggarwal, residing at 3054, Sector 28D, Chandigarh – 160 002,Tel: 172 4005659, Fax No. 0172 4603859 (hereinafter collectively referred to as "**Acquirers**")

Along with

Ms. Anu Aggarwal, residing at 11 Toscano, Manuel Gonsalves Road, Bandra (west), Mumbai – 400 050, Tel: 9930375279 Fax No. 022 61660202 and **Ms. Kiran Aggarwal** residing at 3054, Sector 28D, Chandigarh – 160 002, 01724603957, Fax No. 0172 4603859; (hereinafter collectively referred to as "**Persons Acting in Concert**" or "**PACs**")

Note:

a) **This is not a competitive bid.**
b) This offer is being made by the Acquirers and the PACs to Shareholders pursuant to, and in accordance with, the provisions with, the provisions of Regulations 12 of the SEBI (SAST) Regulations, 1997.
c) The Offer is neither conditional upon nor subject to a minimum level of acceptance by Shareholders.
d) To the best of the knowledge and belief of the Acquirers, as on the date of the LoF, there are no statutory or other approvals required to implement the Offer except as stated in paragraph 7.3 appearing on page no. 18. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirers and PACs will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused in terms of Regulation 27 of SEBI (SAST) Regulations.
e) Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
f) If there is any upward revision of the Offer Price by the Acquirer till the last permitted date for revision viz. December 01, 2016, the same would be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer.
g) **If there is a competing offer: The public offers under all the subsisting bids shall close on the same date.**
h) Form of Acceptance cum Acknowledgement and Transfer Deed (applicable for Shareholders holding Shares in physical form) are also enclosed with this Letter of Offer.
i) A copy of the Public Announcement and the Letter of Offer (including the Form of Acceptance-cum-Acknowledgement and the form of Withdrawal) would be available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
KEYNOTE **Keynote Corporate Services Limited** The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028 **Tel:** +91–22– 30266000-3; **Fax:** +91–22– 3026 6088 **E-mail:** mbd@keynoteindia.net; **Website:** www.keynoteindia.net **Contact Person:** Ms. Saili Sonawane **SEBI Registration No.:** INM 000003606 **AIBI No.:** AIBI/ 040	MASS **Mas Services Limited** T-34, IInd Floor Okhla Industrial Area, Phase-II New Delhi 110020 **Tel:** +91 11 2638 7281-83; **Fax:** +91 11 2638 7384; **Email:** info@masserv.com; **Contact Person:** Mr. Sharwan Mangla; **SEBI Registration No:** INR 000000049

SCHEDULE OF ACTIVITIES

Activity	Date	Day
Public Announcement (PA)Date	October 20, 2016	Thursday
Last date for a competitive bid	November 11, 2016	Friday
Specified Date	November 23, 2016	Wednesday
Date by which the Letter of Offer will be dispatched to Shareholders	November 30, 2016	Wednesday
Last date for revising the Offer Price/ number of Shares	December 01, 2016	Thursday
Date of Opening of the Offer	December 07, 2016	Wednesday
Date of closing of the Offer	December 20, 2016	Tuesday
Last date of payment of consideration to the public shareholders of the target company whose equity shares have been accepted in the offer	January 03, 2017	Tuesday

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DEFINITIONS / ABBREVIATIONS

Particulars	Details/ Definitions
Acquirer(s)	Mr. Sanjay Aggarwal and Mr. Ram Swaroop Aggarwal
BSE	BSE Limited
Buying Broker	Keynote Capitals Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956, as amended from time to time and the (Indian) Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time
DLOF	This Draft Letter of Offer
DP	Depository Participant i.e. Keynote Capitals Limited
DSE	Delhi Stock Exchange Limited
Eligible Shareholders	Registered and unregistered shareholders of the Target Company who own the Equity Shares any time prior to the closure of tendering period, including the beneficial owners of the shares held in dematerialized form, except the Acquirers and PACs
EPS	Earnings per share
Equity Share(s)	Equity Share of face value of ₹10/- each of the Target Company
Escrow Banker	Kotak Mahindra Bank Limited
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
FII	Foreign Institutional Investor
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
Income Tax Act	Income Tax Act, 1961
LoF	The letter of offer in connection with the Offer, dated [•], 2016
Manager to the Offer	Keynote Corporate Services Limited
NSDL	National Securities Depository Limited
NRI	Non Resident Indian
Offer or Open Offer	Open Offer for acquisition of upto 6,09,000 fully paid up Equity Shares representing 20.00% of the Paid up equity share capital of the Target Company at a price of ₹17.20/- (Rupees Seventeen and Twenty Paise only) per fully paid-up Equity Share payable in Cash.
Offer Price	₹17.20 (Rupees Seventeen and Twenty Paise Only) per fully paid-up Equity Share payable in cash
Offer Size	₹1,04,74,800 Only (Rupees One Crore Four lakh Seventy Four Thousand Eight Hundred Only) being maximum consideration payable under this offer assuming full acceptance
PA	Public Announcement dated October 19, 2016
PAC(s)	Mrs. Kiran Aggarwal and Ms. Anu Aggarwal
PAN	Permanent Account Number
PAT	Profit After Tax
Promoter Group	Mr. Sanjay Aggarwal, Mr. Ramswaroop Aggarwal, Ms. Kiran Aggarwal and Ms. Anu Aggarwal
Public Shareholders	All equity shareholders of the Target Company other than the Promoter Group
RBI	The Reserve Bank of India
Registrar to the Offer	Mas Services Limited
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SEBI	The Securities and Exchange Board of India
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto

Particulars	Details/ Definitions
SEBI Act	Securities and Exchange Board of India Act, 1992
Specified 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. i.e November 23, 2016
Stock Exchanges	BSE Limited and Delhi Stock Exchange Limited
Target Company	Emerald Leasing Finance & Investment Company Ltd.
Tendering Period	December 07, 2016 to December 20, 2016, both days inclusive based on tentative schedule of activities.
TRS	Transaction Registration Slip
Working Day(s)	Shall have the same meaning given in the SEBI (SAST) Regulations, 1997

Note: All capitalised terms used in this Draft Letter of Offer, but not otherwise defined herein, shall have the same meanings ascribed thereto in the SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011 whichever is applicable.

RISK FACTORS

A. Risk factors relating to the Transaction and Offer

1. The shares tendered in the Offer will be held in the trust by Clearing Corporation/Registrar to Offer till the completion of the Offer formalities. Accordingly, the Acquirers make no assurance with respect to the market price of the Equity Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

2. This offer is subject to provisions of SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011 (wherever applicable) and in case of any non compliance or delayed compliance with any of the provisions of SEBI (SAST) Regulations, 1997, the Acquirer shall be unable to act upon the acquisition of equity shares under the Offer.

3. The Offer is subject to receipt of statutory approvals. However, to the best of the knowledge and belief of the Acquirers and PACs, as on the date of the DLoF, there are no statutory or other approvals required to implement the Offer. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirers and PACs will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused in terms of Regulation 27 of SEBI (SAST) Regulations.

4. If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations, 1997. In such an event all Shares tendered by the applicant may not be accepted.

5. Equity Shares, once tendered through the Form of Acceptance-cum-Acknowledgement in the Offer, cannot be withdrawn by the Eligible Shareholders, even if the acceptance of Equity Shares under the Offer and dispatch of consideration are delayed.

6. The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the LoF and PA and anyone placing reliance on any other source of information (not released by the Acquirers or the Manager to the Offer) would be doing so at his/her or their own risk.

7. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer who are resident in jurisdictions outside India should inform themselves of and comply with all applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.

B. Probable risks involved in associating with the Acquirers

The Acquirers do not provide any assurance in respect of market price of equity shares before, during or after this Offer and expressly disclaim its responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any shareholder on whether to participate or not participate in the Offer. **The risk factor set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirers. They are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by any Public Shareholder in the Offer. Public Shareholders are advised to consult their stockbroker, investment consultant or tax advisor for an understanding of the further risks associated with their participation in the Offer.**

CURRENCY OF PRESENTATION

In this LoF, all references to “Rs.”/“INR”/ “₹” are to Indian Rupee(s), the official currency of India. Minor differences, if any in totals in this LoF are due to rounding off.

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PACS OR THE 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 THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURES OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER KEYNOTE CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 24, 2016 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background of the offer

a) This Offer is being made pursuant to Regulation 12 of the SEBI (SAST) Regulations to Shareholders of the Target Company to acquire 6,09,000 ("Offer Size") fully paid up Shares at a price of `17.20 per fully paid up equity share (including interest of ` 7.20 per equity share) payable in cash.

b) The Acquirers were appointed as directors on the Board of Emerald on September 01, 2009 by virtue of which they assumed the control of the Target Company. This change in control had triggered the obligation on the Acquirers to make Public Announcement under Regulation 12 of SEBI (SAST) Regulations, 1997. The Public Announcement in respect of the same should have been made on or before September 7, 2009 and the same was not made as required under provisions of the repealed SEBI (SAST) Regulations, 1997. However now the acquirers wish to fulfill their obligation under the applicable SEBI regulations though delayed. The Acquirers have undertaken to pay interest at 10% per annum for the period of delay (i.e from September 7, 2009) in making the Public Announcement. There has been a delay of 2600 days in making the PA.

c) The Acquirers were appointed as directors on the Board of Emerald on September 01, 2009. Subsequently on February 16, 2010 Mr. Sanjay Aggarwal, one of the acquirer acquired 28,500 equity shares representing 14.25% of the then issued and subscribed capital of the Target company.

   Mrs. Kiran Aggarwal, one of the PAC was allotted 2,30,000 equity shares representing 7.55% of the then issued and subscribed equity capital of the company pursuant to the preferential allotment made by the target company on July 12, 2013. Further Mr. Ram Swaroop Aggarwal and Ms. Anu Aggarwal were allotted 3,50,000 and 1,50,000 equity shares respectively representing 11.49% and 4.93% respectively of the present issued and subscribed capital of the company pursuant to the preferential allotment made by the target company on March 8, 2014.

   Presently Acquirers & PACs together hold 7,58,500 equity shares representing 24.91% of the paid up equity share capital of the Target Company.

   Assuming full acceptance in the present open offer to the extent of 6,09,000 equity shares of Rs.10/- each, the holding of Acquirers and PACs would be enhanced to 13,67,500 equity shares aggregating 44.91% of present equity share capital of the Company. The acquisition under the present open offer by Acquirers & PACs may entitle them to exercise 25% or more of the voting rights of the Target Company. The said acquisition would not require the Acquirers & PACs to make another public announcement of an open offer for acquiring shares of the Target Company as envisaged under Regulation 3(1) of SEBI (SAST) Regulations 2011. The present open offer shall also be considered as compliance of Regulation 3(1) of SEBI (SAST) Regulations 2011.

d) The Acquirers, PACs and Target Company have not been prohibited from dealing in securities in terms of Section 11B of the SEBI Act, 1992 or any other regulations made under the SEBI Act, 1992.

2.2 Details of the Proposed Offer

a) The Acquirers and PACs have made a Public Announcement which was published on October 20, 2016 in compliance with Regulation 15 of the SEBI (SAST) Regulations, 1997 in all editions of "Financial Express" being English National Daily, "Jansatta" being Hindi and regional language Daily and "Navshakti" being regional language daily at Mumbai, the place where the Equity shares of the Target Company are most frequently traded. A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in.

b) Pursuant to this Offer, the Acquirers propose to acquire 6,09,000 fully paid up equity shares of ₹10/- each of Emerald constituting 20.00% of its fully paid up equity share capital from the remaining shareholders of Emerald (other than Promoters) on terms and conditions set out in this Letter of Offer, at a price of ₹17.20 (Rupees Seventeen and Twenty Paise Only) (including interest of ₹7.20 per equity share) per fully paid up equity shares payable in cash in accordance with the Regulations.

c) The Equity Shares of the Target Company to be acquired, pursuant to the Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid. Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.

d) The equity shares of the Target Company are fully paid up and there is no differential pricing.

e) This Offer is being made to all Shareholders (except Acquirers and PACs) who own Shares and is not conditional upon a minimum level of acceptances.

f) This is not a competitive Offer. There has been no competitive offer till date.

g) The Acquirers and PACs have not acquired/ been allotted any shares of the target company from the date of the PA to the date of the Letter of Offer.

2.3 Object of the Offer

a) This Offer is being made to Shareholders pursuant to Regulations 12 of the SEBI (SAST) Regulations, 1997 as a result of acquisition of control over Target Company.

b) The Acquirers were appointed as directors on the Board of Emerald on September 01, 2009 by virtue of which they assumed the control of the Target Company. This change in control had triggered the obligation on the Acquirers to make Public Announcement under Regulation 12 of SEBI (SAST) Regulations, 1997. The Public Announcement in respect of the same should have been made on or before September 7, 2009 and the same was not made as required under provisions of the repealed SEBI (SAST) Regulations, 1997. However now the Acquirers wish to fulfill their obligation under the applicable SEBI regulations though delayed. The Acquirers have undertaken to pay interest at 10% per annum for the period of delay (i.e from September 7, 2009) in making the Public Announcement. There has been a delay of 2600 days in making the PA.

3. BACKGROUND OF THE ACQUIRERS AND THE PACS

3.1 Background of the Acquirers & PACs

(A) Acquirers

1. Mr. Sanjay Aggarwal (Acquirer- 1)

a) Mr. Sanjay Aggarwal, s/o Mr. Ram Swaroop Aggrawal, aged 49 years is residing at 3054, Sector 28D, Chandigarh – 160 002 (Tel no. 9814014978). He holds Bachelor's degree in Commerce from Punjab University and is a qualified Chartered Accountant. He has experience in project finance, loan syndication & capital restructuring. The networth of Mr. Sanjay Aggarwal as on June 30, 2016 is ₹17.58 Crores as certified by M/s S. Lal Bansal & Company, Chartered Accountants

(Membership No.: 81569) having office at S.C.F. 23, 1st Floor, Sector 16-D, Chandigarh – 160015 vide certificate dated September 15, 2016.

b) Mr. Sanjay Aggarwal holds 28,500 equity shares and is the Managing Director of the Target Company as on the date of this Letter of Offer.

c) Mr. Sanjay Aggarwal is the Director in Eclat Net Advisors Private Limited and Eclat Capital and Finance Limited and a Proprietor of Eclat Consulting Group and Eclat Capital Services.

2. Mr. Ram Swaroop Aggarwal (Acquirer - 2)

a) Mr. Ram Swaroop Aggarwal, s/o Mr. Dwarka Dass Aggarwal, aged 79 years is residing at 3054, Sector 28D, Chandigarh – 160 002 (Tel no. 9780063094). He holds Masters Degree in Commerce and Bachelors degree in Legislative Law. He has more than 50 years of experience in Steel Trading. He has been a vice president of Chandigarh Industrial Association and President of Chandigarh Iron & Steel Trader Association. He is a director in Eclat Capital and Finance Limited and is a partner in Northern India Sales Corporation. The networth of Mr. Ram Swaroop Aggarwal as on June 30, 2016 is ₹ 1.24 crores as certified by M/s S. Lal Bansal & Company, Chartered Accountants (Membership No.: 81569) having office at S.C.F. 23, 1st Floor, Sector 16-D, Chandigarh – 160015 vide certificate dated September 15, 2016.

b) As of the date of this Letter of Offer, Mr. Ram Swaroop Aggarwal holds 3,50,000 equity shares of the Target Company and is one of the promoter and was a director in the Target Company.

Information about the Company promoted by Acquirers.

a) **Eclat Capital and Finance Limited (ECFL)**

Date of Incorporation	:	January 19, 1995
Registered Office	:	SCO 7, Industrial Area Phase 2, Chandigarh - 160002
Nature of Business	:	Providing financial services

Brief financials based on audited accounts for the last three financial years are given below:

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Paid up equity share capital	5.01	5.01	5.01
Reserves & Surplus	22.41	22.23	22.20
Total Income	7.37	1.34	4.85
Profit/ (Loss) After Tax	0.18	0.03	0.15
EPS (Rs.)	0.35	0.06	0.30
Book Value (Face Value of ₹ 10/- per share)	54.76	54.40	54.34

b) **Eclat Net Advisors Private Limited (ENAPL)**

Date of Incorporation	:	March 31, 2015
Registered Office	:	Kabari Site No. 7, Industrial Area Phase 2, Chandigarh 160002
Nature of Business	:	Providing financial consultancy services

Brief financials based on audited accounts for the year ended March 31, 2016 is given below:

(₹ in Lacs)

Particulars	As on March 2016
Paid up equity share capital	1.00
Reserves & Surplus	2.20
Total Income	9.77
Profit/ (Loss) After Tax	2.20
EPS (Rs.)	22.01
Book Value (Face Value of ₹ 10/- per share)	29.76

ECFL and ENAPL are not sick Industrial Units within the meaning of clause (O) of sub-section (1) of the section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

(B) PACs

1. Mrs. Kiran Aggarwal (PAC -1)

a) Mrs. Kiran Aggarwal, w/o Mr. Ram Swaroop Aggrawal, aged 69 years is residing at 3054, Sector 28D, Chandigarh – 160 002 (Tel no. 0172 4603957). She holds Bachelor's degree in Arts and has over 30 years of experience in the business of trading in steel. The networth of Mrs. Kiran Aggarwal as on June 30, 2016 is ₹ 14.56 crores as certified by M/s S. Lal Bansal & Company, Chartered Accountants (Membership No.: 81569) having office at S.C.F. 23, 1st Floor, Sector 16-D, Chandigarh – 160015 vide certificate dated September 15, 2016.

b) As of the date of this Letter of Offer, Mrs. Kiran Aggarwal holds 2,30,000 equity shares of the Target Company and is one of the promoter director of the Target Company.

c) Mrs. Kiran Aggarwal is a promoter and director of Eclat Capital and Finance Limited & Eclat Net Advisors Private Limited and she is a partner in Aggarwal Oil Mills. She is also a proprietor of Eclat Management Services.

2. Ms. Anu Aggarwal (PAC -2)

a) Ms. Anu Aggarwal, d/o Mr. Ram Swaroop Aggrawal, aged 44 years is residing at 11 Toscano, Manuel Gonsalves Road, Bandra (west), Mumbai – 400 050 Tel no. 9930375279. She holds a Bachelors degree in Commerce from Punjab University and Masters degree in Business Administration from Jamnalal Bajaj Institute of management Studies. She has over 17 years of experience in the Banking sector. She is currently working as executive vice president at Kotak Mahindra Bank and is a Director in Kotak Mahindra General Insurance Limited. In the past she was associated with Citigroup for over 11 years as Sr. Vice President. The networth of Ms. Anu Aggarwal as on June 30, 2016 is `15.30 crores as certified by M/s S. Lal Bansal & Company, Chartered Accountants (Membership No.: 81569) having office at S.C.F. 23, 1st Floor, Sector 16-D, Chandigarh – 160015 vide certificate dated September 15, 2016.

b) Ms. Anu Aggarwal holds 1,50,000 equity shares of the Target Company and is one of the promoter of the Target Company as on the date of this Letter of Offer.

Other details of the Acquirers and PACs

a) Mr. Ram Swaroop Aggarwal and Mrs. Kiran Aggarwal are husband & wife and parents of Mr. Sanjay Aggarwal and Ms. Anu Aggarwal.

b) None of the Acquirers and PACs have been prohibited by SEBI from dealing in securities pursuant to any directions issued under section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any other regulations made under the SEBI Act.

c) Acquirers and PACs are not part of any Group.

d) The Acquirers and PACs have complied with the applicable Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011. The Compliance under Regulation 30(2) of SEBI (SAST) Regulations, 2011 for the year 2012 to 2016 has been made by the Target Company.

e) None of the Acquirers/ PACs is a director in any listed company other than the Target Company.

f) The Acquirer, Mr. Sanjay Aggarwal has on behalf of the Acquirers and PACs made an application dated April 29, 2016 to the RBI for obtaining their no objection for proposed acquisition. The Acquirers have given an undertaking to RBI vide letter dated May 9, 2016 that out of the proposed offer of 6,09,000 equity shares 5,50,000 equity shares will be acquired by Mr. Sanjay Aggarwal and 59,000 equity shares will be acquired by Mr. Ram Swaroop Aggarwal. The PACs do not intend to acquire any equity shares tendered in the offer. The Department of Non-Banking Supervision, RBI, New Delhi vide its letter no. 05.05.063/2015-16 dated May 30, 2016 indicated its "No Objection" for the proposed acquisition of equity shares by the Acquirers.

3.2 Disclosure under Regulation 16(ix)

The Acquirers and the PACS do not have any plan to dispose off or otherwise encumber any of the assets of the Target Company in the succeeding two years from the date of closure of the Offer except in the ordinary course of business. The Acquirers and PACs will not dispose off, sell or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

3.3 Future plans/strategies of Acquirer/ PAC with regard to the Target Company:

The Acquirers were appointed as directors on the Board of Emerald on September 01, 2009 and consequently took over the control of the Target Company. The Target Company is into the business of providing services to banks and financial institutions by acting as direct selling agents for their various financial products. There has been no change in the business activity of the target company since the time the Acquirers have taken control. The Aquirers / PACs propose to continue with the present activities of the Target Company and do not forcee any change in the business plans in the near future.

4. BACKGROUND OF THE TARGET COMPANY

a) Emerald Leasing Finance and Investment Company Limited, was incorporated on November 22, 1983 as Emerald Leasing Finance and Investment Company Limited under the Companies Act, 1956 and received certificate of commencement of business on December 16, 1983. Its registered office is situated at 59,First Floor, Uday Park, New Delhi 110 049, India, (Tel: + 91 11 64645385 and Fax: +91 1164738555) and corporate office is situated at SCO 07, Industrial Area, Phase II, Chandigarh – 160002 , (Tel: + 91 172 4005659 and Fax: + 91 172 4603859). The present promoters of the Company are Mr. Sanjay Aggarwal, Mr. Ram Swaroop Aggarwal, Ms. Anu Aggarwal and Mrs. Kiran Aggarwal. (The Corporate Identification Number (CIN) of the Target Company is L65993DL1983PLC016993.)

The Target Company is a non public deposit accepting NBFC registered with the Reserve Bank of India vide Certificate of Registration dated November 20, 2015 having registration number N-14.03322. The Company is in the business of providing services to banks and financial institution by acting as direct selling agents for their various Financial products such as Mortgage Loan and Mortgage Linked Insurance, Home loans, Corporate Loans, Auto Loans and Personal Loans.

b) The Target Company is not a part of any group.

c) The Target Company has a subsidiary Viz. Eclat Net Advisors Private Limited.

d) As on the date of Letter of Offer, the Authorized Share Capital of Emerald is Rs. 350.00 lacs comprising of 35,00,000 equity shares of Rs. 10/- each. The issued and subscribed share capital is ₹304.50 lacs comprising of 30,45,000 equity shares of Rs. 10/- each.

e) The Equity Shares of the Target Company were listed on the DSE since April 21, 1984. There has been no trading in the Equity Shares of the Company on the DSE since 1993. Further, the DSE has been derecognized vide SEBI order dated November 19, 2014. The Equity shares of the Target Company are listed on the BSE since January 13, 2015. The Equity Shares of the Target Company are infrequently traded at BSE within the explanation provided in (i) of regulation 20(5) of the SEBI (SAST) Regulations, 1997.

f) The details of the present equity share capital structure of the Target Company is as follows:

Paid-up Shares	No. of equity shares/voting rights	% of paid up capital
Fully paid up Shares	30,45,000	100.00
Partly paid up Shares	-	-
Total paid up Shares	30,45,000	100.00
Total voting rights in the Target Company	**30,45,000**	**100.00**

g) Details of share capital built-up of the Target Company since inception till the date of this Letter of Offer are as under:

Date of Allotment	No. of equity shares issued	% of Shares issued to the present paid up equity capital	Cumulative paid up capital	Mode of Allotment	Identity of Allottees	Status of Compliance
22/11/1983	7	0.00	7	Subscription to memorandum	• Mr. Mahendra Prakash Gupta • Mr. Kamal Khanna • Mr. Sidharth Jain • Mr. Alok Sarda • Mr. Rajiv Dhar • Mr. Krishan Lal Bhatia • Mr. Jatinder Pal Singh Johar	Complied
23/03/1984	1,99,993	6.57	2,00,000	Initial Public Offer	Public Shareholders	Complied
12/07/2013	8,45,000	27.75	10,45,000	Preferential Allotment	• Mrs. Kiran Aggarwal • Mrs. Navneet Kaur • Mrs. Shweta Ahluwalia • Rudraksh Engineers Private Limited • Mr. Akshay Agarwal • Mrs. Anita Garg • Mr. Lavish Aggarwal • Mr. Rahul Sondhi • Mr. Lokesh Aggarwal • Mr. Saurabh Gupta • Mr. Kultar Singh	Complied
08/03/2014	20,00,000	65.68	30,45,000	Preferential Allotment	• Mr. Ram Swaroop Aggarwal • Ms. Anu Aggarwal • Dr. Aman Garg • Mr. Rakesh Kumar • AGR Investments Limited • Mrs. Nidhi Arora • Mrs. Raj Rani Aggarwal • PGA Professionals Limited • Mrs. Harsharan Bhullar • Mrs. Urmila Rani • Mr. Narinder Kumar Bansal • Mrs. Meenu Aggarwal • Mr. Atul Arora	Complied
Total	**30,45,000**	**100.00**	**30,45,000**			

h) The equity shares of the Company are not suspended from trading on BSE.

i) The composition of Board of Directors of the Target Company is as follows:

Name, Age, Address and Designation	Experience (Years)	Director Identification Number (DIN)	Area of Experience	Qualification	Date of Appointment /reappointment
Mr. Sanjay Aggarwal 49 Years 3054, Sector 28 D, Chandigarh- 160 002 Managing Director	17	02580828	Financial Services	Chartered Accountant	September 01, 2009
Mrs. Kiran Aggarwal 69 Years 3054, Sector 28 D, Chandigarh- 160 002 Director	15	02557045	Financial Services & trading in Steel	Bachelor of Arts	March 24, 2015
Mr. Deepak Gour 32 Years B- 20, West Block A, Friends Enclave Mundka Rani Khera, Road Mangloi, Delhi – 110 041 Independent Director	4	06445299	Practicing Chartered Accountant	Chartered Accountant	December 01, 2012
Mr. Raman Aggarwal 51 Years F-1/17, Model Town, Delhi – 110 009 Independent Director	24	00116103	NBFC services	PG in Urban Planning Bachelor of Engineering (Civil)	May 13, 2014
Mr. Tarun Khanna 45 Years B-9/21, 2nd Floor, Vasant Vihar, Delhi – 110 057 Independent Director	18	02306480	Investment Banking	MBA BS in Engineering	November 21, 2013

j) There are no outstanding convertible instruments in the Target Company.

k) The Target Company has not been involved in merger/de-merger or spin off in last three years.

l) There are no punitive actions taken by any of the stock exchanges against the Target Company. There are no pending litigations against the Target Company.

m) There has been a delay by Emerald in compliance with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997 in some years which is briefly described below:

- The filing as per Regulation 8(3) of SEBI (SAST) Regulations, 1997 for the years 2000 to 2009 were collectively made on February 26, 2010.
- The filing as per Regulation 8(3) of SEBI (SAST) Regulations, 1997 for the years 1998, 1999 and 2011 were collectively made on June 22, 2013.
- The filings as per Regulation 6(2) and 6(4) of SEBI (SAST) Regulations, 1997 for the year 1997 were made on June 22, 2013.

n) Brief audited financial details of the Target Company for the last three (3) years ended as on March 31st are as follows:

(₹in Lacs)

Profit & Loss Statement	March 31, 2016	March 31, 2015	March 31, 2014
Income from operations	67.31	88.50	35.48
Other Income	0.18	-	-
Total Income	67.49	88.50	35.48
Total Expenditure	55.26	74.98	25.43
Profit Before Depreciation Interest and Tax	12.23	13.52	10.05
Depreciation	0.27	0.35	0.88
Interest	--	0.00	0.00
Profit Before Tax	11.96	13.17	9.17
Provision for Tax	3.75	4.07	2.83
Profit After Tax	8.21	9.10	6.34

Balance Sheet Statement	March 31, 2016	March 31, 2015	March 31, 2014
Sources of funds			
Paid up share capital	304.50	304.50	304.50
Reserves and Surplus (excluding revaluation reserves)	17.73	9.52	0.42
Secured loans	-	-	-
Unsecured loans	-	-	-
Total	**322.23**	**314.02**	**304.92**
Uses of funds			
Net fixed assets	0.44	0.24	0.59
Investments	1.00	0.51	-
Net current assets	318.90	311.14	301.96
Total miscellaneous expenditure not written off	1.89	2.13	2.37
Total	**322.23**	**314.02**	**304.92**

Other Financial Data	March 31, 2016	March 31, 2015	March 31, 2014
Dividend (%)	-	-	-
Earning Per Share (Rs)	0.27	0.30	0.21
Return on Networth (%)	2.56	2.91	2.09%
Book Value Per Share (Rs)	10.52	10.24	10.00

o) Brief financials based on Limited Review Report for the 3 months period ended June 30, 2016 is as follows:

(₹in Lacs)

Profit & Loss Statement	As on June 30, 2016
Income from operations	9.64
Other Income	-
Total Income	9.64
Total Expenditure	7.12
Profit Before Tax	2.52
Provision for Tax	0.78
ofit After Tax	1.74

Other Financial Data	As on June 30, 2016
Dividend (%)	-
Earning Per Share (Rs)	0.06
Return on Networth (%)	0.54
Book Value Per Share (Rs)	10.58

p) Reasons for fall / rise in Total Income and Profit After Tax of the Target Company:

i. Reason for change in Total Income, Expenditure & PAT for the year ended 31st March 2016 over year ended 31st March 2015: -

There has been a decrease in the income from operation and consequently in the profit after tax for the FY 2015-16 as compared to FY 2014-15. This decrease of 23.74% and 9.78% in income and profit after tax has been due to fall in commission received from the loan syndication business as a result of subdued market condition.

ii. Reason for change in Total Income, Expenditure & PAT for the year ended 31st March 2015 over year ended 31st March 2014: -

During March 2014, the Company had made a preferential allotment of 20,00,000 equity shares at par aggregating to ₹ 2.00 crores. This infusion enhanced the capital base which was put in use in FY 2015. This increase in capital base led to rise in the interest income on corporate loans which resulted in overall increase in Total Income and Profit After Tax of the Target Company in the FY 2014-15 There was an increase of 43.53% in Profit After Tax for the FY 2014-15 from the FY 2013-14

q) The pre and post-Offer shareholding pattern of the Target Company assuming full acceptance on fully diluted basis as on date of Letter of Offer is as follows:

Shareholders	No. of share holders	Shareholding & Voting rights prior to the agreement/acquisition and the Offer		Shares/Voting rights acquired which triggered the Regulations		Shares or Voting Rights for which Offer is given (assuming full acceptance)		Shares or Voting Rights after the acquisition and offer	
		A		B		C		D=(A+B+C)	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1)Promoter & promoter group / Acquirers									
Promoters	4	7,58,500	24.91	-	-	6,09,000	20.00	13,67,500	44.91
Sub Total (1)	**4**	**758,500**	**24.91**	-	-	**6,09,000**	**20.00**	**13,67,500**	**44.91**
2) Parties to the Agreement									
Not Applicable									
3) Public (Other than acquirers, parties to the agreement and persons in promoter group									
a) Institutions	0	0	0.00	-	-				
b)Central Government/ State Government(s)/ President of India	0	0	0.00						
c) Non Institutions									
Individuals holding nominal share capital up to Rs. 2.00 lac	536	1,76,506	5.80					**16,77,500**	**55.09**
Individuals holding nominal share capital more than Rs. 2.00 lac	18	12,09,994	39.74						
d) Any Other	3	9,00,000	29.55						
Sub Total (2) (a+b+c+d)	557	22,86,500	75.09			**(6,09,000)**	**20.00**	**16,77,500**	**55.09**
Total (1+2)	**561**	**30,45,000**	**100.00**	**-**	**-**	**-**	**-**	**30,45,000**	**100.00**

Note: This Offer is made pursuant to Regulation 12 of the SEBI (SAST) Regulations for change in control of the Target Company by way of appointment of Acquirers on the Board of Directors of the Target Company during September 2009.

Assuming full acceptance in the present open offer to the extent of 6,09,000 equity shares of ₹10/- each, the holding of Acquirers and PACs would be enhanced to 13,67,500 equity shares aggregating 44.91% of present equity share capital of the Company. The acquisition under the present open offer by Acquirers & PACs may entitle them to exercise 25% or more of the voting rights of the Target Company. The said acquisition would not require the Acquirers & PACs to make another public announcement of an open offer for acquiring shares of the Target Company as envisaged under Regulation 3(1) of SEBI (SAST) Regulations 2011. The present open offer shall also be considered as compliance of Regulation 3(1) of SEBI (SAST) Regulations 2011.

r) Ms. Amarjeet Kaur is the Compliance Officer of the Target Company. The details are as given below:

Ms. Amarjeet Kaur
Company Secretary & Compliance Officer
59, First Floor, Uday Park,
New Delhi 110 049 India
Tel: +91 1164645385
Fax: +91 1164738555
Email: emerald_finance@yahoo.com

5. OFFER PRICE

Justification of Offer Price:

a) The equity shares of Emerald are listed on BSE Limited ("**BSE**") with effect from January 13, 2015. The equity shares of Emerald were also listed on Delhi Stock Exchange Limited ("**DSE**"). SEBI vide its order dated November 19, 2014 has withdrawn the recognition granted to Delhi Stock Exchange Limited.

b) The annualized trading turnover in the Equity shares of the Target Company on BSE and DSE based on trading volume during the period September 2008 to August 2009 (Twelve calendar months preceding the month in which PA should have been made):

Name of Stock Exchange	No. of shares listed	Total no. of shares traded (September 2008 to August 2009)	Annualized trading turnover (% listed of equity shares)
DSE	2,00,000	NIL	NIL
BSE	Not Listed	Not applicable*	Not applicable*

*The Equity shares were listed on BSE only since January 13, 2015 hence data for shares traded during the period September 2008 to August 2009 is not applicable.

c) There is no trading in the equity shares of the Target Company in the DSE from January 1993. Trading data of the Shares of the Target Company on the BSE for twelve months prior to the date of public announcement is as follows:

Name of Stock Exchange	**Shares Traded (October 1, 2015 to September 30, 2016)**	**Total No. of Listed Equity Shares**	**Annualised trading turnover (as a % of total listed Equity Shares)**	**Trading status in terms of SEBI (SAST) Regulations**
BSE	446	30,45,000	0.01	Infrequently Traded

d) The equity shares of the Target Company are infrequently traded on the BSE within the explanation provided in (i) of regulation 20(5) of the SEBI (SAST) Regulations, 1997. Hence the Offer Price of ₹17.20 per equity share (including interest) has been determined as per provision of Regulation 20(5) of the SEBI (SAST) Regulations, 1997.

a.	Negotiated price under the Share Purchase Agreement	:	Not Applicable
b.	Highest price paid by the Acquirers or PACs for acquisitions including by way of allotment in a public or rights or proposed preferential issue, if any, during the twenty-six weeks period prior to the date of Public Announcement.	:	Not Applicable
c.	Where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	:	Based on audited accounts for year ended 31/03/2009*
	Return on Networth (%)	:	(0.29)
	Book Value (₹)	:	9.81
	Earning Per Share (EPS)(₹)	:	(0.03)
	Price Earning Multiple vis-à-vis Industry Average		NA
	Face Value of Equity Share	:	10.00

**Year ending prior to the trigger.*

In view of the above parameters, offer price of ₹17.20/- (inclusive of ₹7.20 per equity share towards interest for the delayed period of 2600 days) is justified in terms of Regulation 20(5) of SEBI (SAST) Regulations, 1997.

e) Calculation of Interest:

Date of Triggering the Offer	September 01, 2009
Original Date of Public Announcement	September 07, 2009
Actual Date of Public Announcement	October 20, 2016
No. of Days Delay	2600
Interest per annum (%)	10%
Offer Price per fully paid up equity share (`)	10.00
Interest calculated @ 10%	7.12
Interest (rounded off)	7.20

f) This is not a competitive bid.

6. FINANCIAL ARRANGEMENTS

a) Assuming full acceptance, the maximum consideration payable under this Offer shall be ₹1,04,74,800/- (Rupees One Crore Four lakh Seventy Four Thousand Eight Hundred Only)

b) By way of security for the performance of its obligations under the Offer and in terms of Regulation 28 of the SEBI (SAST) Regulations, 1997, the Acquirers have deposited an amount of ₹26,25,000/- ("Escrow Amount") with Kotak Mahindra Bank having its office at Mittal Court, Nariman Point, Mumbai (the "Escrow Agent") in an escrow account named "Escrow Account – Emerald – Open Offer" (the "Escrow Account"). The Escrow Amount constitutes more than 25% of the total consideration payable under the Offer in terms of Regulation 28 of the SEBI (SAST) Regulations, 1997. A lien has been marked on the Escrow Account in favour of the Manager to the Offer in terms of the Escrow agreement dated September 30, 2016 entered into inter-alia between the Acquirers, the Escrow Agent and the Manager to the Offer ("Escrow Agreement").

c) The Acquirers and PACs have confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purpose of the Offer. The Acquirers and the PACs have empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(5) of the SEBI (SAST) Regulations, 1997.

d) The firm arrangement for financial resources required to implement the offer is already in place which is being funded by internal resources of Mr. Sanjay Aggarwal and Mr. Ram Swaroop Aggarwal.

e) M/s S. Lal Bansal & Company, Chartered Accountants, having their office situated at 16- D, Chandigarh – 160 015 (Membership No.: 81569) vide certificate dated September 15, 2016 have certified that the Acquirers and PACs have adequate financial resources to fulfill all the obligations under SEBI (SAST) Regulations.

f) On basis of the above, the Manager to the Offer has satisfied itself that Acquirers and the PACs have adequate and firm financial arrangements to implement the Offer in accordance with the Regulations.

g) In case of any upward revision in the offer price, the value of the escrow amount shall be computed on the revised consideration calculated at such revised offer price and any additional amount required will be funded in the open offer escrow account by the acquirers prior to affecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

1. Operational Terms and Conditions

a) The equity shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

b) This is not a conditional Offer and there is no stipulation of any minimum level of acceptance.

c) This Offer is being made by the Acquirer to all the Public Equity Shareholders, whose names appear in the register of members of the Target Company as of the close of business on November 23, 2016 i.e. the Specified Date.

d) The instructions, authorizations and provisions contained in the form of acceptance cum acknowledgement constitute an integral part of the terms and conditions of this Offer.

e) Locked in shares: The locked-in shares, if any acquired pursuant to the Offer can be transferred to the Acquirer, subject to the continuation of the residual lock-in period in the hands of the Acquirer. The Manger to the offer ensures that there shall be no discrimination in the acceptance of locked-in and non locked-in shares.

2. Eligibility for accepting the Offer

a) The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Specified Date.

b) All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer.

c) The Public Announcement, the Letter of Offer and the Form of Acceptance will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, Public Equity Shareholders, including those who have acquired Equity Shares after the Specified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance from SEBI's website.

d) The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

e) The acceptance of this Offer is entirely at the discretion of the public equity shareholder(s) of the Target Company.

f) None of the Acquirer, the Manager or the Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer acceptance forms, share transfer forms etc. during transit and public equity shareholders are advised to adequately safeguard their interest in this regard.

g) The acceptance of Equity Shares tendered in the Offer will be made by the Acquirers & PACs in consultation with the Manager.

h) The Acquirers reserves the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 3 (three) working days prior to the commencement of the Tendering Period, i.e., up to December 01, 2016, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the PA was published. The Acquirers would pay such revised price for all the equity shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.

i) The instructions, authorizations and provisions contained in the Form of Acceptance cum acknowledgement constitute part of the terms of the Offer.

3. Statutory Approvals and Conditions of the Acquisition and the Offer

a) The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders, if any.

b) To the best of the knowledge and belief of the Acquirers and PACs, as on the date of this LOF, there are no statutory or other approvals required for implementing the Offer. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused in terms of Regulation 22(12) of SEBI (SAST) Regulations, 1997. In the event of withdrawal, a Public Announcement ("PA") will be made within two working days of such withdrawal, in the same newspapers in which the original PA has appeared.

c) Where any statutory approval extends to some but not all of the Public Equity Shareholders, the Acquirers shall have the option to make payment to such Public Equity Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

d) No approval is required from bank or financial Institutions for the aforesaid Offer.

e) Accidental omission to dispatch this Letter of Offer or any further communication to any person to whom this Letter of Offer is or should be made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.

f) The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement constitute part of the terms of this Letter of Offer.

g) Subject to receipt of statutory and other approval, if any, the Acquirers intend to complete all formalities relating to the offer of Shares, including despatch payment of consideration to Shareholders who have accepted the Offer, by January 03, 2017.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

a) The Open Offer will be implemented by the Acquirers through Stock Exchange Mechanism made available by BSE Limited (BSE) in the form of separate window (Acquisition Window) as provided under the SEBI (SAST) Regulations, 2011 and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI.

b) BSE shall be the Designated Stock Exchange for the purpose of tendering Shares in the Open Offer.

c) The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on the Stock Exchange in the form of a separate window (Acquisition Window).

d) The Acquirers and PACs have appointed Keynote Capitals Limited (”Buying Broker”) for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the tendering period. The contact details of the buying broker are as mentioned below:

Keynote Capitals Limited
The Ruby, 9th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai – 400028
Tel: +91–22– 30266000-3; **Fax:** +91–22– 3026 6088
Website: www.keynoteindia.net

e) 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 Tendering Period.

f) Separate Acquisition window will be provided by the stock exchange to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Shares as well as physical Shares.

g) 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.

h) Shareholders can tender their shares only through a broker with whom the shareholder is registered as client.

8.1 Procedure for tendering Equity Shares held in Dematerialised Form:

a) The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their broker /Selling Broker indicating details of shares they wish to tender in Open Offer.

b) The Selling Broker shall provide early pay-in of demat shares (except for Custodian Participant orders) to the Clearing Corporation before placing the bids / orders and the same shall be validated at the time of order entry.

c) Shareholders will have to submit Delivery Instruction Slips (“DIS”) duly filled in specifying market type as “Open Offer” and execution date along with other details to their respective broker so that Shares can be tendered in Open Offer.

d) For Custodian participant order for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The Cutodians shall either confirm or reject orders not later than the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

e) The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.

f) Upon placing the bid, the seller broker(s) shall provide Transaction Registration slip (“TRS”) generated by the Exchange Bidding System to the shareholder. TRS will contain details of order submitted like Bid ID No. DP ID, Client ID, No of Shares tendered etc.

g) 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.

The Resident Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. All non resident shareholders holding physical and/ or demat Equity shares and all public equity shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptances along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance.

8.2 Procedure for tendering Equity Shares held in Physical Form:

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

   i. Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;

   ii. Original share certificate(s)

   iii. Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.

   iv. Self attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors)

   v. Any other relevant documents such as (but not limited to):

      - Duly attested power of attorney if any person other than the Equity Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement
      - Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
      - Necessary corporate authorizations, such as Board Resolutions etc., in case of companies

      In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, voter identity card or passport.

   vi. Self attested copy of address proof such as valid Adhar Card, Voter ID, Passport

b) The Seller Broker(s) should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Seller Broker(s) to print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.

c) The Seller Member/ Investor have to deliver the shares & documents along with TRS to the RTA. Physical Share Certificates to reach RTA within 2 days of bidding by Seller Broker.

d) Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA.

e) In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

f) Shares should not be submitted/ tendered to the Manager to the Offer, the Acquirers or the Target Company.

g) Modifications / cancellation of orders will not be allowed during the period the offer is open

h) The cumulative quantity tendered shall be made available on the website of the Stock Exchange throughout the trading session and will be updated at specific intervals during the tendering period.

8.3 Procedure for tendering the shares in case of non receipt of Letter of Offer:

a) Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Specified Date, or unregistered owners or those who have acquired Equity Shares after the Specified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

b) 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.

c) The Letter of Offer along with the form of acceptance 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.

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

8.4 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 Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner 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. The marketable lot for the purpose of this offer is 1 (one).

8.5 Settlement Process

a) On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of Shares transferred to the clearing Corporation.

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

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

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

e) 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 escrow account which will be opened by the Acquirer.

f) 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.

g) Any excess Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholder(s) directly by Registrar to the Offer.

8.6 Settlement of Funds / Payment of Consideration

a) The settlement of fund obligation for demat and physical shares shall be affected through existing settlement accounts of Seller Brokers.

b) The Buyer Broker shall make the funds pay-in in the settlement account of Clearing Corporation, as per the settlement schedule announced by Clearing Corporation of Stock Exchange. The successful Seller Broker / Custodian Participants of the bidding process will receive funds payout in their settlement bank account for Equity Shares accepted under the Open Offer. The Seller Brokers / Custodian Participants would pay the consideration to their respective clients.

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

d) 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 Acquirers accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

e) In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22 (12) of the SEBI (SAST) Regulations, 1997.

NO DOCUMENT SHOULD BE SENT TO THE MANAGER TO THE OFFER, ACQUIRERS OR TO THE TARGET COMPANY

9. NOTE ON TAXATION

1. For Equity Shareholders holding Equity Shares in demat and physical mode

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax provided the transaction is chargeable to STT.

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 PURCHASER DOES NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS OFFER.

2. Tax deduction at source

i. In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Acquirer shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Offer.

ii. In the case of Non Resident Shareholders

Since the Offer is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

3. Interest payment, if any:

In case of interest payments by the Acquirers for delay in payment of Offer consideration or a part thereof, the Acquirers will deduct taxes at source at the applicable rates as per the Income Tax Act.

4. If the resident and non-resident Shareholders require that no tax is to be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the following documents are required to be submitted to the Registrar to the Offer.

For Resident Shareholders:

a. Self-attested copy of PAN card
b. Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (Certificate for Deduction of Tax at Lower Rate)
c. For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any).

For Non-Resident Shareholders:

a. Self-attested copy of PAN card
b. Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (Certificate for Deduction of Tax at Lower Rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the amount of interest)
c. Tax Residency Certificate and a no 'permanent establishment'/business connection declaration

In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, tax will be deducted at the maximum marginal rate as may be applicable to the relevant category, to which the Shareholder belongs, by the Acquirer.

10. GENERAL

a) The Acquirers and the PACs are permitted to make upward revision to the offer price at any time prior to the commencement of the last three working days before the commencement of the tendering period. In the event of such a revision, an announcement will be made in the same newspapers in which this PA has appeared and the revised offer price would be paid for all validly accepted equity shares tendered anytime during the Offer.

b) The Form of Acceptance cum Acknowledgment along with the Share Certificate(s) and other documents delivered shall become acceptance on the part of Shareholder, but will become a fully valid and binding contract between Shareholder and Acquirers only upon the fulfillment of all conditions mentioned herein.

c) The Share certificates will be held in trust by the Registrar to the Offer till the Acquirers complete the Offer obligations in terms of the Regulations.

d) The unaccepted shares/documents will be returned to Shareholders by registered post.

e) For any queries regarding the Offer Shareholders / applicants may contact the Registrar to the Offer at the address mentioned in this Letter of Offer.

f) Pursuant to the Regulation 13, the Acquirers have appointed Keynote Corporate Services Ltd. as the Manager to the Offer.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by Public Shareholders at the corporate office of the Target Company at SCO 07, Industrial Area, Phase II, Chandigarh - 160002 (India) on any working day (except Saturdays and Sundays) between 10.00 A.M. to 3.00 P.M during the period from the date of commencement of the Tendering Period until the date of expiry of the Tendering Period.

a) Memorandum and Articles of Association and certificate of incorporation of the Target Company.

b) MOU between Acquirers and Keynote Corporate Services Limited dated February 28, 2016.

c) MOU with Registrar to the Offer i.e. Mas Services Ltd. dated September 20, 2016

d) Copy of the PA published by the Manager to the Offer on behalf of the Acquirers and PACs on October 20, 2016.

e) Certificates dated September 15, 2016 issued by M/s S. Lal Bansal & Company certifying the networth and adequacy of financial resources of Acquirers and PACs to fulfill the obligations under this Offer.

f) Escrow Agreement dated September 30, 2016 between the Acquirers, PACs, the Manager to the Offer and Kotak Mahindra Bank, Escrow Bank.

g) Letter dated October 18, 2016 from the Escrow Bank confirming the receipt of the cash deposit in the Escrow Account and a lien in favour of the Manager to the Offer.

h) Annual Reports of Target Company for the three financial years ending on March 31, 2016, 2015 and 2014.

i) No Objection Letter received from RBI vide letter no. 05.05.063/2015-16 dated May 30, 2016

j) Copy of letter no **[●]** from SEBI dated **[●]** containing its comments on the DLoF.

12. DECLARATION BY THE ACQUIRERS AND PACS

a) Unless stated otherwise, the Acquirers and PACs accept full responsibility for the information contained in the DLoF, including the attached form of acceptance cum acknowledgement (other than such information relating to the Target Company which has been obtained from public sources and sellers or the Target Company).

b) The Acquirers and PACs accept full responsibility for their obligations under the Offer and shall be responsible for ensuring compliance with the SEBI (SAST) Regulations.

c) The person signing this Letter of Offer on behalf of Acquirers has been duly authorized by the Acquirers and PACs to sign this Letter of Offer**.**

SIGNED FOR AND ON BEHALF OF ACQUIRERS AND PACS
Sd/-
Sanjay Aggarwal
Place: Chandigarh
Date: October 24, 2016