

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer ('LoF') is sent to you as a Public Shareholder of Systematix Corporate Services Limited ('Target Company'). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or 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-Acknowledgement ('Form of Acceptance') and Securities Transfer Form (s) to the Members of Stock Exchange through whom the said sale was effected.

OPEN OFFER ('OFFER')

BY

SUPERSTAR EXPORTS PRIVATE LIMITED ('ACQUIRER')

(Corporate Identification Number: U51909MH2004PTC144065)

Regd. Off. No. 603-606, 6th Floor, A-Wing, The Capital, Plot No. C-70, G Block,

Bandra Kurla Complex, Bandra (East), Mumbai-400051; Tel.: +91-22-67048000; Fax: +91-22-67048022;

E-mail: superstarepl@gmail.com

ALONG WITH PERSONS ACTING IN CONCERT ('PACs')

Mr. RADHE SHYAM KHANDELWAL ('PAC 1'), Mr. CHANDRA PRAKASH KHANDELWAL ('PAC 2'), Mrs. ANJU KHANDELWAL ('PAC 3') and Mr. NIKHIL KHANDELWAL ('PAC 4') all are residing at 41/B, Embassy

Apartment, 46, Nepeansea Road, Priyadarshni Park, Mumbai-400006;

Tel.: +91-22-3029 8000; Fax: +91-22-3029 8029; E-mail: secretarial@systematixgroup.in and

CHANDRA PRAKASH KHANDELWAL HUF ('PAC 5') having its office at 2nd Floor, J. K. Somani Building, British

Hotel Lane, Fort, Mumbai-400001; Tel.: +91-22-3029 8000; Fax: +91-22-3029 8029;

E-mail: secretarial@systematixgroup.in

TO ACQUIRE UP TO 33,75,000 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH ('EQUITY SHARES') REPRESENTING 26% OF THE VOTING EQUITY SHARE CAPITAL, AT A PRICE OF RS. 21/- (RUPEES TWENTY ONE ONLY) PER EQUITY SHARE ('OFFER PRICE'), PAYABLE IN CASH, OF

SYSTEMATIX CORPORATE SERVICES LIMITED ('TARGET COMPANY')

(Corporate Identification Number: L91990MP1985PLC002969)

Regd. Off.: 206-207, Bansi Trade Centre, 581/5, M.G. Road, Indore- 452001, Madhya Pradesh



Tel.: +91-731-3018111; Fax: +91-731-4068253;

Corp. Off.: No. 603-606, 6th Floor, A-Wing, The Capital, Plot No. C-70, 'G' Block, Bandra-Kurla Complex, Bandra

(East), Mumbai-400 051; Tel.: +91-22-30298000; Fax: +91-22-30298029

E-mail: secretarial@systematixgroup.in; Website: www.systematixgroup.in

- This Offer is made by the Acquirer and PACs pursuant to and in compliance with Regulation 3(2) and other applicable regulations of the SEBI (SAST) Regulations, 2011, for acquisition of additional equity shares/ voting rights of the Target Company.
- The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations, 2011.
- The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011
- As on date, to the best of the knowledge and belief of the Acquirer and PACs, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Open Offer. However, the Open Offer would be subject to all the statutory approvals that may become applicable at a later date but before the completion of the Open Offer.
- If there is any upward revision in the Offer Price and/or Offer Size at any time up to three (3) working days prior to commencement of the Tendering Period i.e. upto March 26, 2018 (Monday) in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement ('DPS') was published. Such revised Offer Price would be payable to all the Public Shareholders, who have validly tendered their Equity Shares anytime during the Tendering Period to the extent of such Equity Shares having been verified and accepted under the Offer, by the Acquirer and PACs.
- **There has been no competing offer as on date of this Draft Letter of Offer.**
- **If there is competing offer, The public offers under all the subsisting bids shall open and close on the same date.**
- A copy of the Public Announcement ('PA'), Detailed Public Statement ('DPS') and this Letter of Offer, including Form of Acceptance cum Acknowledgment are also available on the website of Securities and Exchange Board of India ('SEBI') at <http://www.sebi.gov.in>.

| MANAGER TO THE OFFER | | REGISTRAR TO THE OFFER | |
|---|---|---|---|
|  | ASHIKA CAPITAL LIMITED (CIN: U30009WB2000PLC091674) SEBI Registration No.: INM000010536 1008, 10 th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400 021. Tel: +91-22-66111700; Fax: +91-22-66111710 E-mail: mbd@ashikagroup.com Contact Person: Mr. Narendra Kumar Gamini / Ms. Devika Kakar |  | CAMEO CORPORATE SERVICES LIMITED (CIN: U67120TN1998PLC041613) SEBI Registration No.: INR000003753 Subramanian Building, #1, Club House Road, Chennai 600 002. Tel.: +91-44-28460390; Fax: +91-44-28460129; E-mail: investor@cameoindia.com; Contact Person: Ms. Sreepriya |

SCHEDULE OF ACTIVITIES OF THE OFFER IS GIVEN BELOW:

| Activity | Schedule (Date & Day) |
|---|----------------------------------|
| Issue of Public Announcement (PA) | February 01, 2018, Thursday |
| Date of publishing the DPS in the newspapers | February 08, 2018, Thursday |
| Last date for filing of the Draft Letter of Offer ('DLoF') with SEBI | February 16, 2018, Friday |
| Last date for the Competing Offer(s) | March 06, 2018, Tuesday |
| Last date for SEBI observations on the DLoF (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer) | March 13, 2018, Tuesday |
| Identified Date# | March 15, 2018, Thursday |
| Date by which the Letter of Offer is to be dispatched to the Public Shareholders, whose name appears on the register of members on the Identified Date | March 22, 2018, Thursday |
| Last date for upward revision of the Offer Price and/or Offer Size | March 26, 2018, Monday |
| Last Date by which the Committee of the Independent Directors of the Target Company shall give its recommendation to the Public Shareholders of Target Company for this Offer | March 27, 2018, Tuesday |
| Date of publication of Offer opening Public Announcement in the newspapers in which this DPS has been published | March 28, 2018, Wednesday |
| Date of Commencement of the Tendering Period (Offer Opening Date) | April 02, 2018, Monday |
| Date of Closure of the Tendering Period (Offer Closing Date) | April 13, 2018, Friday |
| Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders of the Target Company, whose equity shares have been rejected/accepted in this Open Offer | April 27, 2018, Friday |

**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.*

RISK FACTORS:

The risk factors set forth below pertain to this Offer and the Acquirer and PACs are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by Public Shareholders in this Offer, but are merely indicative. Public Shareholders are advised to consult their stockbrokers, investment consultants, legal and/ or tax advisors, for analyzing and understanding all the risks with respect to their participation in this Offer.

Relating to the proposed Offer:

1. As on date, to the best of the knowledge and belief of the Acquirer and PACs, there are no statutory or other approvals required to complete the acquisition of the Equity Shares that are tendered pursuant to the Offer. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s) and the Acquirer and PACs shall make the necessary applications for such approvals.
2. In case of delay in receipt of any statutory approval that may be required by the Acquirer and PACs at a later date, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer and PACs to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, 2011, grant an extension of time to the Acquirer and/or PACs to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and PACs 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.

3. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, in the event that the approvals which may become applicable prior to completion of the Offer are not received, the Acquirer and PACs shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and PACs (through the Manager to the Offer) shall, within 2 Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.
4. In the event that either: (a) there is any litigation leading to a stay on this Offer; or (b) SEBI instructing the Acquirer and PACs not to proceed with this Offer, then this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders, whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer, may be delayed.
5. In the case of the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, acceptance will be determined by the Acquirer and PACs, as per the SEBI (SAST) Regulations, 2011, in consultation with the Manager to the Offer, on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Open Offer will be accepted.
6. The Equity Shares tendered in the Offer and documents will be held in the pool account of the broker/ in trust by the Clearing Corporation of the Stock Exchange/Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed.
7. Public Shareholders who have lodged their acceptance to this Open Offer shall not be entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Open Offer and dispatch of consideration are delayed. During such period, there may be fluctuations in the market price of the equity shares and the shareholders will not be able to trade in such equity shares, thereby restricting the ability of such Shareholders to take advantage of any favourable price movements. It is understood that the shareholders will be solely responsible for their decisions regarding their participation in this Open Offer.
8. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Letter of Offer, resident in jurisdictions outside India should inform themselves of and observe any 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 the applicable laws or regulations or would subject the Acquirer and PACs or the Manager to the Offer to any new or additional registration requirements.
9. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
10. This Offer is subject to completion risks as would be applicable to similar transactions.

Relating to the Acquirer and PACs:

1. The Acquirer and PACs make no assurance with respect to their investment/divestment decisions relating to their shareholding in the Target Company.
 2. The Acquirer and PACs make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.
 3. The Acquirer and PACs make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim their 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 to participate in this Offer.
 4. The Acquirer, PACs and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS and this Letter of Offer (excluding all information pertaining to the Target Company, which has been provided or published by Target Company or obtained from
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publicly available sources). Any person placing reliance on any other source of information will be doing so at his / her / its own risk.

Currency of Presentation:

1. In this Draft Letter of Offer, all references to 'Rs.' / 'Rupees' / 'INR' / '₹' are references to Indian Rupee(s), the official currency of India.
 2. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.
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1. ABBREVIATIONS / DEFINITIONS

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|--|--|
| Acquirer | Superstar Exports Private Limited |
| BSE | BSE Limited |
| Buying Broker | Systematix Shares and Stocks (India) Limited, through whom the purchases and settlement of Offer Shares shall be made |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identification Number |
| Clearing Corporation | Indian Clearing Corporation Limited |
| Companies Act | The Companies Act, 1956, as amended and/or The Companies Act, 2013, as amended, as the case may be |
| Depositories | CDSL and NSDL |
| DIN | Director Identification Number |
| DP | Depository Participant |
| DPS / Detailed Public Statement | Detailed Public Statement, issued by the Manager to the Offer, on behalf of the Acquirer and PACs, in relation to this Offer, published on February 08, 2018 |
| Draft Letter of Offer / DLoF | This Draft Letter of Offer dated February 15, 2018 |
| Equity Shares | Fully paid-up equity shares of the Target Company of the face value of Rs. 10/- (Rupees Ten only) each |
| Escrow Account | Shall have the meaning given to it in paragraph 6.2 (b) of this Letter of Offer |
| Escrow Amount | Shall have the meaning given to it in paragraph 6.2 (b) of this Letter of Offer |
| Escrow Bank | AXIS Bank Limited |
| FII | Foreign Institutional Investor registered with SEBI under applicable laws in India |
| FIPB | Foreign Investment Promotion Board |
| Form of Acceptance / FoA | Form of Acceptance cum Acknowledgement, accompanying with this Letter of Offer |
| FY | Financial Year |
| Identified Date | March 15, 2018 (Thursday) i.e. date falling on the Tenth (10 th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Public Shareholders to whom this Letter of Offer shall be sent |
| Income Tax Act | Income Tax Act, 1961, as amended from time to time |
| ISIN | International Securities Identification Number |
| Letter of Offer / LoF | The Letter of Offer to be issued pursuant to the Open Offer, including the Form of Acceptance-cum-Acknowledgement |
| Manager to the Offer | Ashika Capital Limited |
| Maximum Consideration | The total funding requirement for the Offer of Rs. 7,08,75,000/- (Indian Rupees Seven Crore Eight Lakhs and Seventy Five Thousand only), assuming full acceptance of the Open Offer |
| NA/ N.A. | Not Applicable |
| Non-Resident Shareholder(s) | Non-Resident Indians and OCBs, holding Equity Shares of the Target Company |
| NRI | Non-Resident Indians as defined under the Foreign Exchange Management (Deposit) Regulations, 2000 |
| NSDL | National Securities Depositories Limited |
| OCBs | Overseas Corporate Bodies as defined under the Foreign Exchange Management (Deposit) Regulations, 2000 |
| Offer/Open Offer | The Open Offer made by the Acquirer and PACs to the Public Shareholders to acquire upto 33,75,000 Equity Shares, representing 26% of the Voting Equity Share Capital of Target Company |
| Offer Period | Period from the date of release of Public Announcement to the date |

| | |
|---|---|
| | of payment of consideration |
| Offer Price | Rs. 21/- (Rupees Twenty One only) per Equity Share |
| Offer Size | Up to 33,75,000 Equity Shares representing 26% of the Voting Equity Share Capital of the Target Company at a price of Rs. 21/- (Rupees Twenty One only) per Equity Share, aggregating to Rs. 7,08,75,000/- (Indian Rupees Seven Crore Eight Lakhs and Seventy Five Thousand only) |
| PA / Public Announcement | Public Announcement dated February 01, 2018, issued by the Manager to the Offer, on behalf of the Acquirer and PACs, in relation to this Offer |
| PAN | Permanent Account Number |
| Persons Acting in Concert / PACs | Persons Acting in Concert namely Mr. Radhe Shyam Khandelwal ('PAC 1'), Mr. Chandra Prakash Khandelwal ('PAC 2'), Mrs. Anju Khandelwal ('PAC 3'), Mr. Nikhil Khandelwal ('PAC 4') and Chandra Prakash Khandelwal HUF ('PAC 5') |
| POA / Power of Attorney | Power of Attorney dated January 30, 2018 by the PACs to appoint Acquirer as their Constituted Attorney in relation to the proposed Offer |
| Promoter and Promoter Group | Promoter and Promoter Group of the Systematix Corporate Services Limited |
| Public Shareholders | All the equity shareholders of the Target Company other than the shareholders forming part of the Promoter and Promoter Group of the Target Company and any Persons Acting in Concert or deemed to be acting in concert with them |
| RBI | Reserve Bank of India |
| Registrar / Registrar to the Offer | Cameo Corporate Services Limited |
| Rs. / INR / ₹ | Indian Rupees, the legal currency of India |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended |
| SEBI (LODR) Regulations, 2015 | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI (SAST) Regulations, 1997 | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended |
| SEBI (SAST) Regulations, 2011 | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| Shareholders | The holders of Equity Shares |
| Stock Exchange | BSE Limited |
| Target Company | Systematix Corporate Services Limited |
| Tendering Period | Period commencing from April 02, 2018 (Monday) to April 13, 2018 (Friday), both days inclusive |
| Voting Equity Share Capital | 1,29,80,258 Equity Shares, being the total voting equity share capital of the Target Company on a fully diluted basis as of the 10 th working day from the date of closure of the Tendering Period of the Open Offer |
| Working Day | A working day of SEBI, as defined under the SEBI (SAST) Regulations, 2011 |

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011. THIS REQUIREMENT IS TO FACILITATE SHAREHOLDERS OF SYSTEMATIX CORPORATE SERVICES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER AND 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 DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER AND PACS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, ASHIKA CAPITAL LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 15, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 BACKGROUND OF THE OFFER

- a. The Acquirer and PACs are part of Promoter and Promoter Group of the Target Company and presently they are controlling the management of the Target Company and hold 61,70,268 Equity Shares representing 47.54% of the Voting Equity Share Capital of the Target Company.
- b. This Offer is made by the Acquirer and PACs in compliance with Regulation 3(2) of the SEBI (SAST) Regulations, 2011, for acquisition of additional equity shares/ voting rights of the Target Company.
- c. This Open Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.
- d. The Acquirer and PACs have 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 regulations made under the SEBI Act.
- e. The Acquirer and PACs have confirmed that they are not categorized as a 'wilful defaulter' in terms of regulation 2(1) (ze) of the SEBI (SAST) Regulations, 2011 and have 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 regulations made under the SEBI Act.
- f. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, 2011, the Board of Directors 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 Public 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. A copy whereof shall be sent to SEBI, Stock Exchange and Manager to the Offer and in case of a Competing Offer/s to the Manager/s to the Open Offer for every Competing Offer.

3.2 DETAILS OF THE PROPOSED OFFER

- a. The PA, in connection with the Open Offer, in accordance with the Regulations 3(2) read with Regulations 13, 14 and 15 of the SEBI (SAST) Regulations, 2011 was made on February 01, 2018 and filed with BSE, SEBI and the Target Company at its Registered Office and Corporate Office.
- b. In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, 2011, the DPS was published on February 08, 2018, in the following newspapers:

| Publication | Language | Edition |
|-------------------|----------|--------------|
| Financial Express | English | All Editions |
| Jansatta | Hindi | All Editions |
| Nav Shakti | Marathi | Mumbai |
| Choutha Sansar | Hindi | Indore |

A copy of the PA and DPS are available on the SEBI website at <http://www.sebi.gov.in>.

- c. Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was filed through the Manager to the Offer with SEBI, BSE and the Target Company at its Registered Office and Corporate Office.
- d. The Open Offer is being made by the Acquirer and PACs to the Public Shareholders of the Target Company, other than the Promoter and Promoter Group of the Target Company, including persons deemed to be acting in concert with such parties, in terms of Regulation 7(6) of the SEBI (SAST) Regulations, 2011, to acquire up to 33,75,000 Equity Shares, representing 26% of the voting equity share capital, at a price of Rs. 21/- (Rupee Twenty One only) per equity share, payable in cash, in accordance with regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011 subject to the terms and conditions mentioned in the PA, DPS and this Letter of Offer.
- e. There are no partly paid up Equity Shares in the Target Company. Further, there is no differential pricing for the Open Offer.
- f. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011 and there has been no competing offer as on the date of the Letter of Offer.
- g. The Open Offer is unconditional and not subject to any minimum level of acceptance from the shareholders of the Target Company, in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011. The Acquirer and PACs will accept the Equity Shares, which are tendered in valid form in terms of this Offer, up to a maximum of 33,75,000 Equity Shares constituting 26% of the Voting Equity Share Capital of the Target Company. If the aggregate valid responses to this Offer by the shareholders are more than the Offer Size, then the acceptance would be determined 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.
- h. The Acquirer and PACs have not acquired any shares of the Target Company after the date of PA i.e. February 01, 2018, up to the date of this LoF.
- i. The Equity Shares of the Target Company acquired by the Acquirer and PACs shall be 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.
- j. As on date, the Manager to the Offer, Ashika Capital Limited, does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.
- k. As per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Rules 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957, as amended ('**SCRR**'), the Target Company is required to maintain at least 25% public shareholding ('**Minimum Public Shareholding**'), as determined in accordance with SCRR, on a continuous basis for listing. If, pursuant to this Offer and acquisition of Equity Shares, if any, during the Offer Period, the public shareholding in the Target Company falls below the Minimum Public Shareholding, the Acquirer and PACs hereby undertake that the public shareholding in the Target

Company will be enhanced, in such manner and within the time period specified in the SCRR, such that the Target Company complies with the required Minimum Public Shareholding.

3.3 OBJECT OF THE OFFER

- a. At present, the Acquirer and PACs are part of Promoter and Promoter Group of the Target Company and are controlling the management of the Target Company and hold 61,70,268 Equity Shares representing 47.54% of the Voting Equity Share Capital of the Target Company.
- b. This Offer is made by the Acquirer and PACs in compliance with Regulation 3(2) of the SEBI (SAST) Regulations, 2011, for acquisition of additional equity shares/ voting rights of the Target Company.
- c. The Acquirer and PACs propose to continue the existing business of the Target Company in future and do not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business.
- d. As on date, the Acquirer and PACs do not have any intention to alienate any significant assets of the Target Company or its subsidiary whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011.

4. BACKGROUND OF THE ACQUIRER / PACS

1. SUPERSTAR EXPORTS PRIVATE LIMITED (SEPL)

- a) SEPL is a private limited company and was incorporated on January 19, 2004 as 'Superstar Exports Private Limited' under the provisions of the Companies Act, 1956 with Registrar of Companies, Maharashtra. The name of the Acquirer has never been changed since the date of its incorporation. The Registered Office of the Acquirer is located at No. 603-606, 6th Floor, A-Wing, The Capital, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, Maharashtra, India. The Corporate Identification Number of the Acquirer is U51909MH2004PTC144065.
- b) The Acquirer is engaged in the business of trader, distributor, dealers, exporters, importers brokers, stockist and commission agent.
- c) The present Authorized Share Capital of the Acquirer is Rs. 6500.00 Lakhs comprising of 1.00 Lakhs equity shares of face value of Rs. 10/- each and 649.00 Lakhs preference shares of face value of Rs. 10/- each. As on March 31, 2017, the issued and paid up share capital of the Acquirer is Rs. 6354.55 Lakhs divided into 10,000 equity shares of face value of Rs. 10/- each and 3,42,500 redeemable preference shares of face value of Rs. 10/- each and 6,31,93,000 optionally convertible preference shares of face value of Rs.10/- each.
- d) The equity shares of the Acquirer are not listed on any stock exchange.
- e) Chandra Prakash Khandelwal (PAC 2) and Nikhil Khandelwal (PAC 4) are the shareholders and Directors of the Acquirer.
- f) The Shareholding Pattern of equity share capital of the Acquirer, as on date, is as under:

| S. No. | Name of the Shareholder | No. of Equity Shares | % |
|--------------|----------------------------|----------------------|---------------|
| 1. | Chandra Prakash Khandelwal | 9,990 | 99.90 |
| 2. | Nikhil Khandelwal | 10 | 0.10 |
| TOTAL | | 10,000 | 100.00 |

g) The details of Board of Directors of the Acquirer, as on the date, are as follows:

| Name of Director | Designation | Date of Appointment | Director Identification Number (DIN) |
|----------------------------|-------------|---------------------|--------------------------------------|
| Chandra Prakash Khandelwal | Director | March 12, 2004 | 00016373 |
| Nikhil Khandelwal | Director | March 12, 2004 | 00016387 |

h) The Key Financial Information of the Acquirer, based on audited consolidated financial statements for the Financial Year(s) ended March 31, 2017, March 31, 2016 and March 31, 2015 and based on certified consolidated financial statements for the period ended January 15, 2018 are as follows:

Profit & Loss Statements:

(Rs. in Lakhs)

| Particulars | For period ending 15.01.2018 | Financial Year ended 31.03.2017 | Financial Year ended 31.03.2016 | Financial Year ended 31.03.2015 |
|---|------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Revenue from Operations | 33.80 | 114.74 | 82.27 | 8.40 |
| Other Income | 2.53 | 0.20 | 15.95 | 0.06 |
| Total Income | 36.33 | 114.94 | 98.22 | 8.46 |
| Total Expenditure | 118.79 | 44.11 | 163.43 | 858.30 |
| Profit/(Loss) Before Depreciation, Interest and Tax | (82.46) | 70.83 | (65.21) | (849.84) |
| Finance cost | 90.47 | 134.44 | 131.30 | 307.21 |
| Depreciation | 0.68 | 1.48 | 2.39 | 3.12 |
| Profit/ (Loss) Before Tax | (173.62) | (65.11) | (198.90) | (1160.17) |
| Tax Expenses: | | 22.12 | 27.85 | |
| Current Tax | - | 22.61 | 19.00 | - |
| Deferred Tax | - | (0.02) | - | - |
| Prior Year Tax Adjustments | (0.28) | (0.47) | 8.85 | - |
| MAT Credit Utilized | - | - | - | - |
| Profit/ (Loss) after Tax (before adjustment for Minority Interest) | (173.34) | (87.23) | (226.75) | (1160.17) |
| Minority Interest | (0.19) | (0.12) | (0.02) | (0.08) |
| Adjusted in Capital Reserve | - | - | - | (1.06) |
| Profit/ (Loss) after Tax (after adjustment for Minority Interest) | (173.53) | (87.35) | (226.77) | (1159.03) |

Balance Sheet Statement:

(Rs. in Lakhs)

| Particulars | For period ending 15.01.2018 | Financial Year ended 31.03.2017 | Financial Year ended 31.03.2016 | Financial Year ended 31.03.2015 |
|---|------------------------------|---------------------------------|---------------------------------|---------------------------------|
| EQUITY AND LIABILITIES | | | | |
| Shareholders' Funds | | | | |
| Paid up Share Capital | 6324.55 | 6324.55 | 6324.55 | 6333.55 |
| <i>Paid up Equity Share Capital</i> | <i>1.00</i> | <i>1.00</i> | <i>1.00</i> | <i>1.00</i> |
| <i>Paid up Preference Share Capital</i> | <i>6323.55</i> | <i>6323.55</i> | <i>6323.55</i> | <i>6332.55</i> |
| Reserves & Surplus | 1830.89 | 2004.41 | 2038.30 | 2394.93 |
| Minority Interest | 5.32 | 5.14 | 49.82 | 49.79 |
| NETWORTH | 8160.77 | 8334.10 | 8412.67 | 8778.27 |
| Non-Current Liabilities | 1555.33 | 1655.33 | 1580.81 | 5198.50 |
| Current Liabilities | 152.90 | 76.04 | 56.72 | 49.53 |
| TOTAL | 9869.00 | 10065.47 | 10050.20 | 14026.30 |
| ASSETS | | | | |
| Non-Current Assets | 9737.36 | 9836.20 | 9958.16 | 13874.16 |
| Current Assets | 131.64 | 229.27 | 92.04 | 152.14 |
| TOTAL | 9869.00 | 10065.47 | 10050.20 | 14026.30 |

Other Financial Data:

| Particulars | For period ending 15.01.2018 | Financial Year ended 31.03.2017 | Financial Year ended 31.03.2016 | Financial Year ended 31.03.2015 |
|-----------------------------------|------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Earnings per Share (Rs.) | Negative | Negative | Negative | Negative |
| Book Value per Equity Share (Rs.) | 18372.16 | 20105.52 | 20891.16 | 24457.22 |
| Return on Networth/Equity (%) | - | - | - | - |

Net Worth = Paid-up Share Capital + Reserves and Surplus + Minority Interest

Earnings per Share = Profit/ (Loss) after Tax (before adj. for Minority Interest) / Equity Shares outstanding at the end of respective period

Return on Net Worth = Profit/ (Loss) after Tax (before adj. for Minority Interest) / Net Worth

i) Details of the ventures promoted/controlled/managed by the Acquirer:

| Name of the Company | Percentage of holding | Nature of Business |
|--|-----------------------|--|
| Perspire Builders and Developers Private Limited | 100.00% | To carry on the business of real estate activities. |
| Wonderdream Realtors Private Limited | 100.00% | |
| Thirdwave Mercantile Company Private Limited | 100.00% | To carry on the business as traders, exporters, distributors, dealers, importers, brokers, stockist, commission agent. |
| Goldflag Exports Private Limited | 97.01% | |
| Goldlife Trading Company Private Limited | 97.56% | |
| Magicline Trading Company Private Limited | 97.83% | |
| Riteplaza Trading Company Private Limited | 97.56% | |
| Topcity Trading Company Private Limited | 97.75% | |

- Mr. Radhe Shyam Khandelwal ('PAC 1')**, son of Late Govind Narain Khandelwal, aged about 81 years, Indian habitant currently residing at 41/B, Embassy Apartment, 46, Nepean Sea Road, Priyadarshni Park, Mumbai-400006. He is a Graduate in Commerce. He is having experience of around 40 years in the areas of Accounts and Finance. The networth of Mr. Radhe Shyam Khandelwal, as on January 15, 2018, as certified by Mr. J. N. Khandelwal (Membership No. 073744), Partner of M/s. J. N. Khandelwal & Co, Chartered Accountants (Firm Registration No.: 004966C), having office at 126, 2nd Floor, Bimalraj Building, Furniture Market, Shopping Centre, Kota-324007, Rajasthan, India; Tel.: +91-744-2361002; E-mail: khandelwaljn@rediffmail.com, vide certificate dated January 15, 2018, is Rs. 78.70 Lakhs (Rupees Seventy Eight Lakhs and Seventy Thousand only). As on date, PAC 1 is a part of Promoter and Promoter Group of the Target Company and holds 3,22,437 Equity Shares representing 2.48% of the Voting Equity Share Capital
- Mr. Chandra Prakash Khandelwal ('PAC 2')**, son of Mr. Radhe Shyam Khandelwal, aged about 58 years, Indian habitant residing at 41/B, Embassy Apartment, 46, Nepean Sea Road, Priyadarshni Park, Mumbai- 400006. He is a Fellow Member of the Institute of Chartered Accountants of India. He is having experience of around 29 years in the areas of Investment Banking, Capital Markets, Accounts and Finance. The networth of Mr. Chandra Prakash Khandelwal as on January 15, 2018, as certified by Mr. Parag Jain (Membership No. 078548), Partner of M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No.: 100990W), having office at 404/405, Imperial Plaza, Dr. K. B Hedgewar Marg, Off. Linking Road, Bandra (West), Mumbai-400050; Tel.: +91-22-26511213/15; Fax: +91-22-26511197; E-mail: info@bjaa.in vide certificate dated January 15, 2018, is Rs. 5,10,40,492/- (Rupees Five Crores Ten Lakhs Forty Thousand Four Hundred and Ninety Two only). As on date, PAC 2 is a part of Promoter and Promoter Group of the Target Company and holds 2,13,215 Equity Shares representing 1.64% of the Voting Equity Share Capital.
- Mrs. Anju Khandelwal ('PAC 3')**, wife of Mr. Chandra Prakash Khandelwal, aged about 51 years, Indian habitant residing at 41/B, Embassy Apartment, 46, Nepean Sea Road, Priyadarshni Park, Mumbai- 400006. She completed her Master of Engineering (M.E.) in Electrical. She is having around 12 years of experience in the areas of capital market. The networth of Mrs. Anju Khandelwal as on January 15, 2018, as certified by Mr. Parag Jain (Membership No. 078548), Partner of M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No.: 100990W), having office at 404/405, Imperial Plaza, Dr. K. B Hedgewar Marg, Off. Linking Road, Bandra (West), Mumbai-

400050; Tel.: +91-22-26511213/15; Fax: +91-22-26511197; E-mail: info@bjaa.in vide certificate dated January 15, 2018, is Rs. 2,03,96,481/- (Rupees Two Crores Three Lakhs Ninety Six Thousand Four Hundred and Eighty One only). As on date, PAC 3 is a part of Promoter and Promoter Group of the Target Company and holds 50,803 Equity Shares representing 0.39% of the Voting Equity Share Capital.

5. **Mr. Nikhil Khandelwal ('PAC 4')**, son of Mr. Chandra Prakash Khandelwal, aged about 33 years, Indian habitant residing at 41/B, Embassy Apartment, 46, Nepean Sea Road, Priyadarshni Park, Mumbai- 400006. He completed his Bachelor of Engineering (B.E.) in Electronics and Communications Engineering and Post Graduate Program in Management (MBA) from Indian School of Business. He is having experience of around 12 years in the areas of Investment Banking and Equity Research, etc. The networth of Mr. Nikhil Khandelwal as on January 15, 2018, as certified by Mr. Parag Jain (Membership No. 078548), Partner of M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No.: 100990W), having office at 404/405, Imperial Plaza, Dr. K. B Hedgewar Marg, Off. Linking Road, Bandra (West), Mumbai-400050; Tel.: +91-22-26511213/15; Fax: +91-22-26511197; E-mail: info@bjaa.in vide certificate dated January 15, 2018, is Rs. 4,62,07,115/- (Rupees Four Crores Sixty Two Lakhs Seven Thousand One Hundred and Fifteen only). As on date, PAC 4 is a part of Promoter and Promoter Group of the Target Company and holds 93,455 Equity Shares representing 0.72% of the Voting Equity Share Capital.
6. **Chandra Prakash Khandelwal HUF ('PAC 5')** having its office at 2nd Floor, J. K. Somani Building, British Hotel Lane, Fort, Mumbai-400001. The networth of Chandra Prakash Khandelwal HUF as on January 15, 2018, as certified by Mr. Parag Jain (Membership No. 078548), Partner of M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No.: 100990W), having office at 404/405, Imperial Plaza, Dr. K. B Hedgewar Marg, Off. Linking Road, Bandra (West), Mumbai-400050; Tel.: +91-22-26511213/15; Fax: +91-22-26511197; E-mail: info@bjaa.in vide certificate dated January 15, 2018, is Rs. 1,51,222/- (Rupees One Lakhs Fifty One Thousand Two Hundred and Twenty Two only). As on date, PAC 5 is a part of Promoter and Promoter Group of the Target Company and holds 6,496 Equity Shares representing 0.05% of the Voting Equity Share Capital.
7. Save and except for the PACs, no other person is acting in concert with the Acquirer for the purposes of this Offer.
8. The Acquirer and PACs belongs to Systematix Group.
9. The Acquirer and PACs are part of Promoter and Promoter Group of the Target Company and presently they are controlling the management of the Target Company. Further PAC 2 is the Executive Chairman & Managing Director of the Target Company and PAC 3 is a non-executive Director of the Target Company.
10. The Acquirer and PACs have not acquired, directly or indirectly any shares of Target Company during the 52 weeks period prior to the date of PA except 1,48,455 equity shares (Mr. Chandra Prakash Khandelwal (PAC 2)-75,000 equity shares and Mr. Nikhil Khandelwal (PAC 4)-73,455 equity shares) representing 1.14% of voting equity share capital in the Target Company through market purchase at BSE at an average price of Rs. 20.77 on January 22, 2018. Further, the Acquirer and PACs have not acquired any Equity Shares of the Target Company after the date of the PA.
11. The Equity Shares of the Target Company proposed to be acquired under the Open Offer will be acquired entirely by the Acquirer.
12. The PACs have undertaken that they do not intend to acquire any Offer Shares. Mr. Chandra Prakash Khandelwal is the Constituted Attorney on behalf of the PACs vide Power of Attorney ('PoA') in relation to the Offer.
13. The Acquirer and PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other Regulations made under the SEBI Act, 1992.
14. As on date, Mr. Chandra Prakash Khandelwal (PAC 2) is acting as a whole time director in Systematix Fincorp India Limited and Mr. Nikhil Khandelwal (PAC 4) is acting as a whole time director in Systematix Shares and Stocks (India) Limited.

5. BACKGROUND OF TARGET COMPANY

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

- a) The Target Company was originally incorporated on August 21, 1985 as 'Systematix Consultancy Services Private Limited' under the provisions of the Companies Act, 1956 with Registrar of Companies, Madhya Pradesh. Subsequently, the name was changed to 'Systematix Consultancy Services Limited' and received the Certificate of Change of Name from Registrar of Companies, Madhya Pradesh on July 20, 1993. Later on, the name of the Target Company was further changed to the present name 'Systematix Corporate Services Limited' and received the Fresh Certificate of Incorporation consequent on Change of Name from Registrar of Companies, Madhya Pradesh on December 21, 1993. There have been no changes in the name of the Target Company during the last three years.
- b) The Corporate Identification Number of the Target Company is L91990MP1985PLC002969. The Registered Office of the Target Company is located at 206-207, Bansi Trade Centre, 581/5, M.G. Road, Indore-452001, Madhya Pradesh, India. Tel: +91-731-3018111; Fax: +91-731-4068253 and the Corporate Office of the Target Company is located at No. 603-606, 6th Floor, A-Wing, The Capital, Plot No. C-70, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051.
- c) The main objects of the Target Company as per Memorandum of Association inter-alia include:
- to carry on all or any of the business and profession of providing services including technical, administrative, marketing and providing services of technicians, scientist, artist, administrators, salesman, economist, accountants, tax experts and of acting as recruitment agents, advertising agents, organizers of conference, auctioneers, trustees, executors, administrators, attorneys, nominees, receivers and agents and of working as professional consultants, on technical financial management for financial matters, insurance claims, productivity, taxation employment, investment, marketing, banking and economic problems and matters.
 - to carry on trade or business as consultants particular matters relating to finance, investments, taxes administration, collaboration, amalgamation, marketing, exports, imports, personnel manufacturing engineering, data processing legal, government relation and any other functional field of management and act as mangers to issue any shares, securities and to function as transfer agents.
- d) The Target Company is presently engaged in the business of Investment Banking and Merchant Banking activities and registered with SEBI as a Category I Merchant Banker.
- e) Details of the ventures promoted/controlled/managed by Target Company:

| Name of the company | Percentage of shareholding | Nature of business |
|---|----------------------------|--|
| Systematix Shares and Stocks (India) Limited | 100.00% | Wealth Management, Private Client Brokerage (PCG), Portfolio Management Services, Client Advisory Services, Institutional Equity Broking Services, Depository Services, Retail Broking, Currency Futures and Distribution of Financial Products. |
| Systematix Fincorp India Limited | 100.00% | Syndication of Loans, Loans against Shares & Lending Solutions. |
| Systematix Finvest Private Limited | 100.00% | Syndication of Loans, Loans against Shares & Lending Solutions. |
| Systematix Commodities Services Private Limited | 100.00% | Commodity Broking Services |

The registration details of the above entities are as under:

| Name of the Company | Corporate Identification Number | Registered with/as | Registration Number |
|---|---------------------------------|---|---|
| Systematix Shares and Stocks (India) Limited | U65993MH1995PLC268414 | BSE Limited ('BSE'), National Stock Exchange of India Ltd. ('NSE'), Metropolitan Stock Exchange of India Limited ('MSEI'), Depository Participant ('DP'), Portfolio Management Service ('PMS'), Research Analyst ('RA') | BSE: INB/F011132736 NSE: INB/F/E231132730 MSEI : INB/F 261132733 DP : IN-DP-CDSL-246-2004 (DP Id: 34600) PMS - INP000002692 RA- INH200000840 |
| Systematix Fincorp India Limited | U67120RJ1995PLC010601 | Reserve Bank of India ('RBI') | B-10.00160 |
| Systematix Finvest Private Limited | U65990MH1995PTC088488 | Reserve Bank of India ('RBI') | B-13.00982 |
| Systematix Commodities Services Private Limited | U01119MH1994PTC266348 | Multi Commodity Exchange of India Ltd ('MCX'), National Commodity & Derivatives Exchange Limited ('NCDEX') | MCX : INZ000043009 NCDEX : INZ000043009 |

- f) The Authorized Share Capital of the Target Company is Rs. 5000.00 Lakhs comprising of 200.00 Lakhs equity shares of face value of Rs. 10/- each and 300.00 Lakhs preference shares of face value of Rs. 10/- each. As on March 31, 2017, the Issued Capital is Rs. 4012.25 Lakhs comprising of 1,31,22,558 equity shares of face value of Rs. 10/- and 270.00 Lakhs non convertible redeemable preference shares of face value of Rs. 10/- each. The Subscribed and Paid-up Capital of the Target Company is Rs. 3998.02 Lakhs, comprising of 1,29,80,258 fully paid-up equity shares of face value of Rs.10/- each and 270.00 Lakh non convertible redeemable preference shares of face value of Rs. 10/- each.
- g) The Equity Shares of the Target Company are presently listed and permitted to trade on BSE (Security Code: 526506) (Security ID: SYSTMTXC). The ISIN of Equity Shares is INE356B01016.
- h) **Share Capital Structure:**

The equity share capital structure of the Target Company is as follows:

| Paid-up Equity Shares | No. of Equity Shares / Voting Rights | % Equity Shares / Voting Rights |
|--|--------------------------------------|---------------------------------|
| Fully Paid-up Equity Shares | 1,29,80,258 | 100% |
| Partly Paid-up Equity Shares | Nil | Nil |
| Total Paid-up Equity Shares | 1,29,80,258 | 100% |
| Total Equity Shares / Voting Rights in Target Company | 1,29,80,258 | 100% |

- i) As on date, the Target Company does not have any partly paid-up equity shares and there are no outstanding warrants or options or similar instruments, convertible into equity shares at a later date.

- j) All the outstanding equity shares of the Target Company are admitted for trading at BSE
- k) The Target Company is complying with the relevant provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended and no punitive action has been taken against the Target Company by BSE as on date. The trading in the equity shares of the Target Company are not been suspended by BSE, as on date.
- l) As on date, No Equity Shares of the Target Company are under lock-in.
- m) **Details of the Board of Directors of Target Company:**

As on date, the Directors representing the Board of Target Company are:

| Name of Director | Designation | Date of Appointment | Director Identification Number (DIN) |
|--------------------------------|--|---------------------|--------------------------------------|
| Mr. Chandra Prakash Khandelwal | Executive Chairman & Managing Director | March 30, 1995 | 00016373 |
| Mrs. Anju Khandelwal | Non- Executive Director | January 20, 2003 | 00474604 |
| Mr. Sanjay Khandelwal | Independent Non-Executive Director | September 30, 2014 | 01592134 |
| Mr. Mahesh Solanki | Independent Non-Executive Director | January 20, 2003 | 00006923 |
| Mr. Shriram Khandelwal | Independent Non-Executive Director | May 30, 2013 | 06729564 |

- n) Our directors namely Mr. Chandra Prakash Khandelwal and Mrs. Anju Khandelwal acting as PACs along with the Acquirer for the purposes of this Offer and they have undertaken not to participate in any deliberations of the Target Company till the completion of the Offer Period in terms of the SEBI (SAST) Regulations, 2011, except which are necessary in the normal course of business.
- o) There has been no merger / de-merger or spin off in the Target Company during the past three years.
- p) The Key Financial Information of the Target Company, based on audited consolidated financial statements for the Financial Year(s) ended March 31, 2017, March 31, 2016 and March 31, 2015 and based on limited review consolidated financial statements for the six months period ended September 30, 2017 are as follows:

Profit & Loss Statements

(Rs. in Lakhs, except per share data)

| Particulars | 6 Months period ended 30.09.2017 | Financial Year ended 31.03.2017 | Financial Year ended 31.03.2016 | Financial Year ended 31.03.2015 |
|--|----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Revenue from Operations | 1919.93 | 3781.12 | 3150.71 | 3139.10 |
| Other Income | 259.34 | 614.91 | 350.66 | 684.58 |
| Total Income | 2179.27 | 4396.03 | 3501.37 | 3823.67 |
| Total Expenditure | 1514.91 | 2443.67 | 2210.20 | 2100.45 |
| Profit/(Loss) before Depreciation, Interest & Tax | 664.36 | 1952.36 | 1291.17 | 1723.22 |
| Finance Cost | 420.80 | 1261.94 | 1222.39 | 1317.63 |
| Depreciation and Amortization Expenses | 57.43 | 109.32 | 125.19 | 166.12 |
| Profit/ (Loss) Before Exceptional and Extraordinary Items and Tax | 186.13 | 581.10 | (56.41) | 239.47 |
| Exceptional Items | - | - | 1.24 | 98.80 |
| Profit/ (Loss) Before Extraordinary Items and Tax | 186.13 | 581.10 | (57.65) | 140.67 |
| Extraordinary Item | Nil | 18.14 | - | - |
| Profit/ (Loss) Before Tax | 186.13 | 562.96 | (57.65) | 140.67 |
| Tax Expenses | 75.50 | 167.67 | 32.17 | 22.96 |

| | | | | |
|---|---------------|---------------|----------------|---------------|
| Current Tax | 81.00 | 164.30 | 42.82 | 105.84 |
| MAT Credit Entitlement | - | - | - | - |
| Deferred Tax | (5.50) | 6.26 | (12.69) | (83.32) |
| Income Tax relating to earlier year | Nil | (2.89) | 2.04 | 0.44 |
| Profit/ (Loss) after Tax (before adj. for Minority Interest) | 110.63 | 395.29 | (89.82) | 117.71 |
| Share of (Profit) Transferred to Minority Interest | - | - | - | 0.01 |
| Profit/ (Loss) after Tax (after adj. for Minority Interest) | 110.63 | 395.29 | (89.82) | 117.70 |

Balance Sheet Statement

(Rs. in Lakhs, except per share data)

| Particulars | 6 Months period ended 30.09.2017 | Financial Year ended 31.03.2017 | Financial Year ended 31.03.2016 | Financial Year ended 31.03.2015 |
|---------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| EQUITIES AND LIABILITIES | | | | |
| Paid up Share Capital | 4005.14 | 4005.14 | 4005.14 | 4005.14 |
| Equity Share Capital | 1298.03 | 1298.03 | 1305.14 | 1305.14 |
| Preference Share Capital | 2700.00 | 2700.00 | 2700.00 | 2700.00 |
| Share Forfeiture Account | 7.11 | 7.11 | - | - |
| Reserves & Surplus | 4421.49 | 4310.85 | 3915.56 | 4005.38 |
| NETWORTH | 8426.63 | 8315.99 | 7920.70 | 8010.52 |
| Non-Current Liabilities | 200.27 | 166.20 | 260.68 | - |
| Current Liabilities | 11741.25 | 14164.63 | 12509.63 | 14636.93 |
| TOTAL | 20368.15 | 22646.82 | 20691.01 | 22647.45 |
| ASSETS | | | | |
| Non-Current Assets | 1711.69 | 2141.36 | 3560.46 | 1934.46 |
| Current Assets | 18656.46 | 20505.46 | 17130.55 | 20712.99 |
| TOTAL | 20368.15 | 22646.82 | 20691.01 | 22647.45 |

Other Financial Data

(Rs. in Lakhs, except per share data)

| Particulars | 6 Months period ended 30.09.2017 | Financial Year ended 31.03.2017 | Financial Year ended 31.03.2016 | Financial Year ended 31.03.2015 |
|-------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| EPS (Rs.) | 0.85 | 3.04 | Negative | 0.90 |
| Book Value per Share (Rs.) | 44.12 | 43.27 | 40.00 | 40.69 |
| Return on Networth/Equity (%) | | 7.04 | - | 2.22 |

Not Annualised

Net Worth = Paid-up Share Capital + Reserves and Surplus + Minority Interest

Earnings per Share = Profit/ (Loss) after Tax (before adj. for Minority Interest) / Equity Shares outstanding at the end of respective period

Return on Net Worth = Profit/ (Loss) after Tax (before adj. for Minority Interest) / Net Worth

q) Pre and Post-Offer Shareholding Pattern of the Target Company as on date is as follows:

| Shareholders' Category | Shareholding & Voting Rights prior to the Offer | | Shares / Voting Rights agreed to be Acquired which triggered off the Regulations | | Shares/ Voting Rights to be Acquired in Open Offer (assuming full acceptances) | | Shareholding / Voting Rights after the Acquisition and Offer | |
|---|---|---------------|--|-----------|--|----------------|--|---------------|
| | (A) | | (B) | | (C) | | (A)+(B)+(C) = (D) | |
| | No. | % | No. | % | No. | % | No. | % |
| 1. Promoter Group including Acquirer & PACs | | | | | | | | |
| a) Acquirer & PACs: | | | | | | | | |
| (i) Acquirer | 54,83,862 | 42.25 | - | - | 33,75,000 | 26.00 | 88,58,862 | 68.25 |
| (ii) PAC 1 | 3,22,437 | 2.48 | - | - | - | - | 3,22,437 | 2.48 |
| (iii) PAC 2 | 2,13,215 | 1.64 | - | - | - | - | 2,13,215 | 1.64 |
| (iv) PAC 3 | 50,803 | 0.39 | - | - | - | - | 50,803 | 0.39 |
| (v) PAC 4 | 93,455 | 0.72 | - | - | - | - | 93,455 | 0.72 |
| (vi) PAC 5 | 6,496 | 0.05 | - | - | - | - | 6,496 | 0.05 |
| Total (a) | 61,70,268 | 47.54 | Nil | NA | 33,75,000 | 26.00 | 95,45,268 | 73.54 |
| b) Promoters other than (a) above | - | - | - | - | - | - | - | - |
| Total (b) | - | - | - | - | - | - | - | - |
| Total 1 (a+b) | 61,70,268 | 47.54 | Nil | NA | 33,75,000 | 26.00 | 95,45,268 | 73.54 |
| 2. Public (other than Promoter Group including Acquirer & PACs)* | | | | | | | | |
| a) FIs / MFs / FIIIs / Banks, SFIs, ARCs | 68,09,990 | 52.46 | - | - | (33,75,000) | (26.00) | 34,34,990 | 26.46 |
| b) Others | | | - | - | | | | |
| Total 2 (a+b) | 68,09,990 | 52.46 | - | - | (33,75,000) | (26.00) | 34,34,990 | 26.46 |
| GRAND TOTAL (1+2) | 1,29,80,258 | 100.00 | Nil | NA | Nil | NA | 1,29,80,258 | 100.00 |

* As on December 31, 2017, there are 2009 Shareholders under the public category.

r) **Details of Compliance Officer:**

Ms. Vrunda Dhanesha, Company Secretary & Compliance Officer
 No. 603-606, 6th Floor, A-Wing, The Capital, Plot No. C-70, G Block,
 Bandra Kurla Complex, Bandra (East), Mumbai-400051;
 Tel.: +91-22-30298000; Fax: +91-22-30298029; E-mail: secretarial@systematixgroup.in

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

- This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.
- The Equity Shares of the Target Company are presently listed and permitted to trade on BSE (Security Code: 526506) (Security ID: SYSTMTXC). The ISIN of Equity Shares is INE356B01016. The Equity Shares are frequently traded on the BSE, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.
- The trading turnover in the Equity Shares based on the trading volume during the twelve calendar months prior to the calendar month in which the PA was made i.e. February 2017 to January 2018 on BSE is as under:

| Name of Stock Exchange | Total Number of Equity Shares Traded (A) | Total Number of Equity Shares Listed (B) | Trading Turnover % (A/B) |
|------------------------|--|--|--------------------------|
| BSE | 13,22,177 | 1,29,80,258 | 10.19% |

(Source: www.bseindia.com)

- d. The Offer Price of Rs. 21/- per Equity Share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011, in view of the following:

| S. No. | Particulars | Rs. |
|--------|---|------------------|
| a) | The highest negotiated price per Equity Share, if any, for acquisition under the Agreement attracting the obligation of an Open Offer | : Not Applicable |
| b) | The volume-weighted average price paid or payable for acquisition, whether by the Acquirer or by any Person Acting in Concert, during 52 weeks immediately preceding the date of PA | : 20.77 |
| c) | The highest price paid or payable for any acquisition, whether by the Acquirer or by any Person Acting in Concert, during 26 weeks immediately preceding the date of the PA | : 20.77 |
| d) | The volume-weighted average market price of Equity Shares for a period of sixty trading days immediately preceding the date of the PA as traded on BSE | : 18.01 |

- e. There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8 of the SEBI (SAST) Regulations, 2011.
- f. In the event of further acquisition of Equity Shares of the Target Company by the Acquirer and PACs during the Offer Period, at a price higher than the Offer Price, the Offer Price will stand revised equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, the Acquirer and PACs will not be acquiring any Equity Shares of the Target Company after the third Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- g. If the Acquirer and PACs acquire Equity Shares of the Target Company during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, they will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty (60) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, 2011 or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the Stock Exchange, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.
- h. As on date, there has been no revision in Offer Price and/or Offer Size.
- i. The Offer Price is subject to upward revision on account of future purchases/competing offers, if any, pursuant to the SEBI (SAST) Regulations, 2011 or at the discretion of the Acquirer and/or PACs at any time prior to 3 Working Days before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision, the Acquirer and/or PACs shall make corresponding increases to the Escrow Amount (under Regulation 18(5) of the SEBI (SAST) Regulations, 2011), as more particularly set out under Financial Arrangements hereunder, and the Acquirer and PAC shall (i) make a public announcement in the same newspapers in which the DPS was published; and (ii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office and corporate office of such revision. The revised Offer Price would be paid to all the Public Shareholders, whose Equity Shares, are accepted under the Open Offer.

6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS

- a. Assuming full acceptance of the Open Offer, the total fund requirement for the Open Offer i.e. for the acquisition of 33,75,000 Equity shares at the Offer Price of Rs. 21/- shall be Rs. 7,08,75,000/- (Indian Rupees Seven Crore Eight Lakhs and Seventy Five Thousand only) ('**Maximum Consideration**').
- b. The Acquirer and PACs, the Manager to the Offer and Axis Bank, having its registered office at Third Floor, TRISHUL, Opp. Samarsheshwar Temple, Nr. Law Garden, Ellisbridge, Ahmedabad-

380 006 acting through its branch office at 502, Ground Floor, Bengal Chemical Bhavan, S. V. Savarkar Marg, Near Centenary Bazar, Prabhadevi, Mumbai-400025 ('**Escrow Bank**') have entered into an escrow agreement dated February 01, 2018 ('**Escrow Agreement**'). Pursuant to the Escrow Agreement, the Acquirer and PACs have opened an Escrow Account under the name and title of 'Superstar Exports Private Limited-Open Offer-Escrow Account' ('**Escrow Account**') with the Escrow Bank and the Acquirer and PACs have made a cash deposit of Rs. 1,80,00,000/-, being 25% of the Maximum Consideration in the Offer Escrow Account in accordance with Regulation 17(1) of the SEBI (SAST) Regulations, 2011. The Manager has been duly authorized to realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.

- c. The Acquirer together with PACs confirmed that they have adequate financial resources to meet the obligations under the Open Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, 2011.
- d. The source of funds to meet the obligations under the Offer will be met from the owned funds/networth available with the Acquirer and PACs.
- e. Mr. Parag Jain (Membership No. 078548), Partner of M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No.: 100990W), having office at 404/405, Imperial Plaza, Dr. K. B Hedgewar Marg, Off. Linking Road, Bandra (West), Mumbai-400050; Tel.: +91-22-26511213/15; Fax: +91-22-26511197; E-mail: info@bjaa.in, vide certificate dated February 01, 2018, have certified that adequate and firm financial resources are available with the Acquirer and PACs to enable it to fulfil their financial obligations under the Offer in full.
- f. Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and PACs to fulfil their obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations, 2011.
- g. In case of any upward revision in the Offer Price or the Offer Size, the Acquirer and PACs shall deposit additional funds in the Escrow Account as required under the Regulation 17(2) of the SEBI (SAST) Regulations, 2011.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

- a. The Open Offer is being made by the Acquirer and PACs to the Public Shareholders of the Target Company, other than the Promoter and Promoter Group of the Target Company, including persons deemed to be acting in concert with such parties, in terms of Regulation 7(6) of the SEBI (SAST) Regulations, 2011.
- b. The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations, 2011.
- c. The Offer is subject to the terms and conditions set out in this LoF, the PA, the DPS, and any other Public Announcements that may be issued with respect to the Offer.
- d. The Letter of Offer together with the Form of Acceptance cum Acknowledgment (Form of Acceptance) and Securities Transfer Form (for Shareholders holding Equity Shares in the physical form) is being mailed to those Public Shareholders of the Target Company whose names appear on the Register of Members of the Target Company and to the Beneficial Owners of the Equity Shares of the Target Company whose names appear as beneficiaries on the records of the respective depositories, at the close of business hours on the Identified Date i.e. March 15, 2018 (Thursday). Owners of Equity Shares who are not registered as Shareholder(s) are also eligible to participate in the Offer at any time prior to the Date of Closure of the Tendering Period.
- e. Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

- f. Public Shareholders can write to the Registrar to the Offer/ Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance cum acknowledgement. Alternatively, the Letter of Offer along with the Form of Acceptance cum acknowledgement would also be available on the website of SEBI i.e. <http://www.sebi.gov.in>, and shareholders can also apply by downloading such forms from the website.
- g. Neither the Acquirer and PACs, nor the Manager to the Offer or the Registrar to the Offer accepts any responsibilities in any manner for any loss of Equity Share certificate(s), share transfer forms and any other Offer acceptance documents, etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
- h. This Offer is subject to the receipt of the statutory and other approvals as mentioned under paragraph 'Statutory Approvals' of this Letter of Offer. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- i. The Acquirer and PACs reserve the right to revise the Offer Price and/or the Offer Size upwards up to 3 (three) working days prior to the commencement of the tendering period, in accordance with the Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer and PACs would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Letter of Offer.
- j. The Public Shareholders to whom the Offer is being made are free to offer their Shares in the Target Company in whole or in part while accepting the Offer. The acceptance of the Offer must be unconditional, absolute and unqualified.
- k. 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, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
- l. Neither the Acquirer and PACs, nor the Manager to the Offer or the Registrar to the Offer accepts any responsibilities in any manner for any loss of Equity Share Certificate(s), Securities Transfer Forms and any other Offer acceptance documents, etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
- m. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder may be precluded from bidding of such Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding the free transferability of such equity shares tendered under the Offer are not received prior to the date of closing of the Offer.
- n. Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- o. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, 2011, the Public Shareholders who tender their Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance.
- p. In the event that the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.

7.2 LOCKED-IN SHARES

As on date, No Equity Shares of the Target Company are under lock-in.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

- a. All Public Shareholders, whether holding the Equity Shares in physical form or dematerialized form are eligible to participate in this Offer at any time during the Tendering Period for this Offer.
- b. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired Equity Shares after the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in Public Announcement, the DPS and the Letter of Offer. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance-cum Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or the Registrar to the Offer.

7.4 STATUTORY APPROVALS

- a. As on date, to the best of the knowledge and belief of the Acquirer and PACs, there are no statutory or other approvals required to complete the acquisition of the Equity Shares that are tendered pursuant to the Offer. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s) and the Acquirer and PACs shall make the necessary applications for such approvals.
- b. All Public Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, 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 Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Offer Shares. The acquisition of the Equity Shares tendered by NRI and OCB are subject to approval/exemption, if applicable, from RBI.
- c. In case of delay in receipt of any statutory approval that may be required by the Acquirer and PACs at a later date, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer and PACs to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, 2011, grant an extension of time to the Acquirer and/or PACs to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and PACs 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.
- d. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, in the event that the approvals which may become applicable prior to completion of the Offer are not received, the Acquirer and PACs shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and PAC (through the Manager to the Offer) shall, within 2 Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

- a. The Open Offer will be implemented by the Acquirer and PACs through a Stock Exchange Mechanism made available by BSE Limited ('**BSE**') in the form of a separate window ('**Acquisition Window**'), as provided under the SEBI (SAST) Regulations, 2011 and SEBI Circular CIR/CFD/POLICYCELL/1/ 2015 dated April 13, 2015 read with SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 issued by SEBI and notices / guidelines

issued by Designated Stock Exchange and the Clearing Corporation in relation to the mechanism / process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers as amended and updated from time to time.

- b. BSE shall be the designated stock exchange ('**Designated Stock Exchange**') for the purpose of tendering the Equity Shares in the Open Offer.
- c. The Acquirer and PACs have appointed Systematix Shares and Stocks (India) Limited ('**Buying Broker**') as their broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer will be made. The contact details of the Buying Broker are as mentioned below:

SYSTEMATIX SHARES AND STOCKS (INDIA) LIMITED

603-606, 6th Floor, A-Wing, The Capital, Plot No. C-70,
G-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051;
Tel: +91 22-30298156; Fax: +91 22-30298029; E-mail: rajkumarg@systematixgroup.in
Contact Person: Mr. Rajkumar Gupta

- d. All the owners of Equity Shares, who desire to tender their Equity Shares under the Open Offer, would have to approach and intimate their respective stock brokers ('**Selling Broker**') during the normal trading hours of the secondary market, during the Tendering Period.
- e. The Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Selling Broker can enter orders for dematerialized as well as physical Equity Shares.
- f. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation, before the opening of the Offer.
- g. Modification/cancellation of Orders will not be allowed during the tendering period of the Open Offer.
- h. 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.
- i. The equity shareholders are requested to note that trading account is mandatory to participate in the Offer irrespective of the Equity Shares are in dematerialised form or physical form.
- j. The equity shareholders can tender their shares only through a broker with whom the shareholder is registered as client (Know Your Customer/Client (KYC) Compliant).
- k. **Procedure for tendering Equity Shares held in dematerialised form:**
 - (i) The Equity Shareholders who are holding the Equity Shares in electronic / dematerialised form and who desire to tender their Equity Shares in this Offer shall approach their respective Stock Broker ('**Selling Broker**') indicating details of Shares they wish to tender in the Open Offer.
 - (ii) The Equity Shareholders are required to transfer, through their respective depository participants, the Equity Shares intended to be tendered to the early pay-in account of the Indian Clearing Corporation Limited ('**Clearing Corporation**'). Such Equity Shareholders shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular before their respective Selling Broker places the bids / orders on their behalf and the same shall be validated at the time of order entry.
 - (iii) 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 Stock Broker so that Equity Shares can be tendered in Open Offer.
 - (iv) For Custodian participant order 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 the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

- (v) Upon placing the bid, the Selling Broker(s) shall provide Transaction Registration Slip ('TRS') generated by the Exchange Bidding System to the Shareholders. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No of Shares tendered, etc.
- (vi) In case of receipt of Equity Shares in the Special Account of the Clearing Corporation and a valid bid in the exchange bidding system, the Open Offer shall be deemed to have been accepted, for demat Shareholders.
- (vii) The Equity 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 acceptance in the Open Offer.
- (viii) The Equity Shareholders holding Equity Shares in Demat mode are not required to fill any Form of Acceptance.

I. Procedure for tendering Equity Shares held in Physical Form:

- (i) 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 the Selling Broker and submit complete set of documents for verification procedure as mentioned below:
 - a) 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;
 - b) Original Share Certificate(s);
 - c) Valid Form SH 4-Securities Transfer Form(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;
 - d) Self attested PAN card copy (in case of joint holders, PAN card copy of all transferors);
 - e) Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature);
 - f) Self attested copy of address proof such as valid Adhaar Card, Voter ID, Driving License, etc.
- (ii) The Selling Broker(s) should place bids on the exchange platform with relevant details as mentioned on physical share certificate(s). The Selling 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. Distinctive Nos., No. of Shares, etc.
- (iii) After placement of order, as mentioned in above point, the Selling Broker/Equity Shareholder must ensure the delivery of the Form of Acceptance, copy of the TRS, original share certificate(s), valid Form SH 4-Securities Transfer Form(s) and other documents (as mentioned in above point either by registered post/speed post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page of this Letter of Offer not later than 2 (two) working days from closure of the Tendering Period. The envelope should be superscribed as '**Systematix Corporate Services Limited-Open Offer**'. One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- (iv) Equity 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 Registrar to the Offer. On receipt of the confirmation from Registrar to the Offer the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.

- (v) 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 the Closure of the Tendering Period.
- (vi) The Equity Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance sent along with this Letter of Offer.

m. Procedure for tendering the shares in case of non-receipt of Letter of Offer:

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

In case the Equity Shares are in dematerialised form:

A Shareholder, who are holding the Equity Shares in electronic / dematerialised form and who desire to tender their Equity Shares in this Offer, 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.

In case the Equity Shares are in physical form:

A Shareholder, who are holding the Equity Shares in physical form and who desire to tender their Equity Shares in this Offer may participate in the Offer by confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, DPS and the Letter of Offer. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in this Letter of Offer) should reach the Registrar of the Company not later than 2 (two) working days from closure of the Tendering Period. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer

In case of non-receipt of the Letter of Offer, such Equity Shareholders of the Target Company may download the same from the website of SEBI i.e. 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.

n. Acceptance of Shares:

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

In the event that the number of Equity Shares (including demat shares and physical shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer and PACs 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.

o. Settlement Process:

- (i) On closure of the Tendering Period, 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 Designated Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.
- (ii) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

- (iii) Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account which will be provided by the Acquirer and PACs.
- (iv) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Equity Shareholders directly by the Registrar to the Offer. The Target Company is authorized to split the share certificate and issue new consolidated Share Certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Target Company are less than the Equity Shares tendered in the Open Offer by the Equity Shareholders holding Equity Shares in the physical form.
- (v) In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- (vi) 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 non-acceptance of the shares under the Offer.

p. Settlement of Funds / Payment Consideration:

- (i) The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- (ii) The funds received from Buyer Broker by the Clearing Corporation will be released to the Shareholder/Selling Broker(s) as per secondary market pay out mechanism.
- (iii) For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds pay-out to respective Equity Shareholders. If shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders. The Equity Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- (iv) The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- (v) Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder.
- (vi) In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

9. COMPLIANCE WITH TAX REQUIREMENTS:

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.

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 PACS 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.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders of Target Company at the office of the Manager to the Offer, Ashika Capital Limited, at 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400 021 on any day (except Saturdays, Sundays and public holidays) between 10.30 a.m. to 2.00 p.m. from the Date of Opening of the Tendering Period till the Date of Closure of the Tendering Period.

- i. Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- ii. Annual Reports of the Target Company for the financial years ending March 31, 2015, March 31, 2016 and March 31, 2017 and Limited Review Report for the nine months period ended December 31, 2017 as submitted by the Target Company with BSE.
- iii. Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.
- iv. Annual Reports of the Acquirer for the financial years ending March 31, 2015, March 31, 2016 and March 31, 2017 and un-audited financials for the period ended January 15, 2018 duly certified by the Statutory Auditor of the Company.
- v. Certificate dated January 15, 2018, issued by Mr. J. N. Khandelwal (Membership No. 073744) Partner of M/s. J. N. Khandelwal & Co, Chartered Accountants (Firm Registration No.: 004966C), certifying the Networth of PAC 1.
- vi. Certificate(s) dated January 15, 2018, issued by Mr. Parag Jain (Membership No. 078548) Partner of M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No.: 100990W), certifying the Networth of PAC 2, PAC 3, PAC 4 and PAC 5.
- vii. Certificate dated January 15, 2018, issued by Mr. Parag Jain (Membership No. 078548), Partner of M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No.: 100990W), certifying that the Acquirer and PACs have firm and adequate financial resources to meet the financial obligations under the Open Offer
- viii. Bank Statement from Axis Bank confirming the balance of Rs. 1,80,00,000/- in the Escrow Account.
- ix. Escrow Agreement between the Acquirer and PACs and Manager to the Offer and the Escrow Banker, Axis Bank dated February 01, 2018.
- x. Letter of Engagement dated January 16, 2018, appointing Ashika Capital Limited, as the Manager to the Offer.
- xi. Letter dated January 29, 2018 from Acquirer appointing Cameo Corporate Services, as the Registrar to the Offer.

- xii. Letter dated January 29, 2018 from Systematix Shares & Stocks (India) Ltd., to act as a Buying Broker, for the purpose of the Open Offer by the Acquirer and PACS.
- xiii. Public Announcement dated February 01, 2018 and published copy of Detailed Public Statement, which appeared on February 08, 2018.
- xiv. Copy of the recommendation made by the Independent Directors of the Board of the Target Company as required in terms of Regulation 26(7) of SEBI (SAST) Regulations, 2011.
- xv. Observation Letter No. [●] dated [●] issued by SEBI.

11. DECLARATION BY THE ACQUIRER AND PACS

The Acquirer and its Directors and the PACs accept full responsibility, jointly and severally, for the information contained in the PA, the DPS and this Letter of Offer other than such information as has been obtained from public sources or provided or confirmed by the Target Company (as specified in this LoF) and also for ensuring the compliance with the obligations of the Acquirer and PACs as laid down in terms of the SEBI (SAST) Regulations, 2011.

We, the Acquirer and its Directors and PACs, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this Letter of Offer is in compliance with the SEBI (SAST) Regulations, 2011, and that it contains all information with regard to the Offer, which is material in the context of the Offer, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Manager to the Offer hereby states that the person(s) signing this Letter of Offer is the Acquirer and PACs or duly and legally authorized person of the Acquirer and PACs to sign this LoF.

For and on behalf of

| Acquirer | PAC 1 | PAC 2 | PAC 3 | PAC 4 | PAC 5 |
|--|--------------------------------|------------------------------------|-------------------------|---------------------------|--|
| For Superstar Exports Private Limited | | | | | For Chandra Prakash Khandelwal HUF |
| Sd/- Name: Chandra Prakash Khandelwal | Sd/- Radhe Shyam Khandelwal | Sd/- Chandra Prakash Khandelwal | Sd/- Anju Khandelwal | Sd/- Nikhil Khandelwal | Sd/- Name: Chandra Prakash Khandelwal |

Place : Mumbai
Date : February 15, 2018

Enclosures:

- (1) Form of Acceptance cum Acknowledgement.
- (2) Form SH 4- Securities Transfer Form, for Shareholders holding Equity Shares in physical form

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR HOLDING SHARES IN PHYSICAL FORM)**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with TRS generated by the Selling Broker and enclosures to Registrar to the Offer, Cameo Corporate Services, at their address given in the Letter of Offer as per the mode of delivery mentioned in the Letter of Offer)

From:
Folio No.:

Name:
Address:

| TENDERING PERIOD FOR THE OFFER | |
|---------------------------------------|--------------------------------|
| OPENS ON: | April 02, 2018 (Monday) |
| CLOSES ON: | April 13, 2018 (Friday) |

Tel. No.

Fax No.:

E-mail:

To

Cameo Corporate Services Limited
(Unit- Systematix Corporate Services Limited-Open Offer)
Subramanian Building,
#1, Club House Road,
CHENNAI 600 002.

Dear Sir,

Sub: Open Offer to acquire up to 33,75,000 Equity Shares, representing 26% of Voting Equity Share Capital of Systematix Corporate Services Limited ('Target Company') at a price of Rs. 20/- per Equity Share by the Acquirer and PACs from the Public Shareholders of the Target Company in compliance with the SEBI (SAST) Regulations, 2011 ('Offer')

I/We refer to the Letter of Offer dated February 15, 2018 for acquiring the Equity Shares held by me/us in Systematix Corporate Services Limited. Capitalised terms not defined here shall have the meanings ascribed to them under the Letter of Offer.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

FOR EQUITY SHARES HELD IN PHYSICAL FORM

I/We, holding the Equity Shares in physical form, accept the Open Offer and enclose the original Share Certificate(s) and duly signed Form No. SH-4 (Securities Transfer Form) in respect of my/our Equity Shares as detailed below:

| S. No. | Regd. Folio Number | Share Certificate Number | Distinctive Numbers | | Number of Equity Shares |
|--------------------------------------|--------------------|--------------------------|---------------------|----|-------------------------|
| | | | From | To | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| Total Number of Equity Shares | | | | | |

(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)

I/We confirm that the Equity Shares which are being tendered herewith by me/us under this Open Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter and that I/We have obtained any necessary consents to sell the Equity Shares on the foregoing basis.

I/We also note and understand that the obligation on the Acquirer and PACs to pay the purchase consideration arises only after verification of the certification, documents and signatures submitted along with this Form of Acceptance-cum-Acknowledgment.

I/We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961. I/We are not debarred from dealing in Equity Shares.

I/We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by me/us, I/we will indemnify the Acquirer and PACs for such income tax demand (including interest, penalty, etc.) and provide the Acquirer and PACs with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

I/We note and understand that the Shares/original Share Certificate(s) and Form No. SH-4 (Securities Transfer Form) will be held by the Registrar to the Offer in trust for me/us till the date the Acquirer and PACs make the payment of consideration as mentioned in the Letter of Offer or the date by which original share certificate(s), Form No. SH-4 (Securities Transfer Form) and other documents are dispatched to the shareholders, as the case may be.

I/We also note and understand that the Acquirer and PACs will pay the purchase consideration only after verification of the documents and signatures.

I / We confirm that in case the Acquirer and PACs are of the view that the information / documents provided by me / us is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the Public Shareholders.

I/We note and understand that the Equity Shares would lie with the Clearing Corporation until the time the Acquirer and PACs make payment of purchase consideration as mentioned in the Letter of Offer. I/We authorise the Acquirer and PACs to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer and PACs to return to me / us the share certificate(s) or other documents or papers or correspondence in respect of which the Open Offer is not found valid/not accepted without specifying the reasons thereof to the sole / first holder at the address mentioned above by Book-Post/Speed Post / Registered Post or through courier, as may be applicable, at my / our risk.

Yours faithfully,

Signed & Delivered:

| | Full Name | PAN | Signature |
|---------------------|-----------|-----|-----------|
| First / Sole Holder | | | |
| Joint Holder 1 | | | |
| Joint Holder 2 | | | |
| Joint Holder 3 | | | |

Note: In case of joint holdings, all must sign. In case of body corporate, the Common Seal should be affixed and necessary Board Resolutions should be attached.

Place: _____

Date: _____

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

ACKNOWLEDGEMENT SLIP

CAMEO CORPORATE SERVICES LIMITED

(Unit- Systematix Corporate Services Limited-Open Offer)

Subramanian Building, #1, Club House Road, Chennai 600 002.

Tel.: +91-44-28460390; Fax: +91-44-28460129; E-mail: investor@cameoindia.com;

Received from Mr. / Ms. / Smt: _____

Address: _____

Form of Acceptance-cum-Acknowledgement for _____ Shares along with:

Physical Shares: Share Certificate(s) along with _____ number of
Form SH 4- Securities Transfer Form(s) under Folio Number (s) _____

TRS No.: _____

Other Documents, please specify: _____

(Tick whichever is applicable)

| | | | | | |
|--|--|-------------------------------|--|---------------------|--|
| Stamp of Registrar to the Offer: | | Signature of the Official: | | Date of Receipt: | |
|--|--|-------------------------------|--|---------------------|--|

All future correspondence, if any, should be addressed to the Registrar to the Offer at their address quoting your Folio No.