

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer (“**DLoF**”) is sent to you as a Public Shareholder (*as defined below*) of Chokhani Securities Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker 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 the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement to the member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER BY

Poshika Advisory Services LLP (“Acquirer 1”)

Registered office: 4A, Technopolis, Sector – 54, Golf Club Road,
Gurugram – 122 002
Tel. No.: +91-124-4546566

And

Mr. Shachindra Nath (“Acquirer 2”)

Residing at GV-65, The Palm Springs, Golf Course, Road, Sector – 54,
Sikanderpur Ghosi (68), Gurugram – 122 002
Tel. No.: +91-124-4546566

(Acquirer 1 and Acquirer 2 are collectively referred to as the “Acquirers”)

TO ACQUIRE

upto 351,683 Equity Shares of face value of ₹10 each representing 0.68% of the Emerging Share Capital
(*as defined below*)

OF

Chokhani Securities Limited

Registered Office: 5-A, Maker Bhavan – II, 18, Sir Vithaldas Thackersey Marg, New Marine Lines,
Churchgate, Mumbai – 400 020
Phone No.: +91-22-220 0772 -73
Website: www.rrcfinancials.com



AT A PRICE OF

₹129 (Rupees One Hundred and Twenty Nine) per Equity Share (“**Offer Price**”), payable in cash

- This Offer is being made by the Acquirers pursuant to Regulation 3(1), 4 and other applicable regulations of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time (“**SEBI (SAST) Regulations**”).
- This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI SAST Regulations.
- This Offer is subject to certain statutory and regulatory approvals as set out in paragraph 7.4 - ‘*Statutory and Other Approvals*’ of this DLoF. This Offer is also subject to the satisfaction of the conditions stipulated under the SPA (*as defined below*), as disclosed in this DLoF (please refer paragraph 3.1.3 – ‘*Key Terms of SPA*’ of this DLoF) which may be outside the reasonable control of the Acquirers. The Acquirer may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations in the event that any of such approvals are not received or are finally refused or are otherwise not met.
- **This Offer is NOT a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.**
- If there is any upward revision in the Offer Price/Offer Size at any time up to three (3) Working Days prior to commencement of the Tendering Period i.e. February 19, 2018 in terms of the SEBI (SAST) Regulations, the same would also be informed by way of an announcement in the same newspapers where the DPS was published. Such revised Offer Price would be payable to all the 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 Acquirers.

- A copy of the PA, DPS, this DLoF and Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) would also be available on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.
- **There has been no competing offer as on the date of this DLoF.**
- Unless otherwise stated, the information set out in this DLoF reflects the position as of the date hereof.

Manager to the Offer		Registrar to the Offer	
	<p>Equirus Capital Private Limited Registered Office: 12th Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400 013. Tel Nos.: +91-(0)22-43320600 Fax: +91-2243320601 Email: csl.openoffer@equirus.com; Website: www.equirus.com Contact Person: Mr. Pavan Naik /Mr. Sameer Purohit</p>		<p>Universal Capital Securities Private Limited Registered Office: 21, Shakil Nivas, opp. Sathya Sai Baba Temple, Mahakali Caves Road, Andheri East, Mumbai – 400 093. Tel Nos.: +91 (022) 28207203; Email: ravi@unisec.in Website: www.Unisec.in Contact Person: Mr. Ravindra Utekar</p>
	SEBI Registration No. INM000011286		SEBI Registration No. INR000004082

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES PERTAINING TO THE OFFER

Nature of Activity	Day & Date
Date of the Public Announcement	Sunday, 31 st December 2017
Date of publishing the Detailed Public Statement	Friday, 5 th January 2018
Last date for filing of Draft Letter of Offer with SEBI	Friday, 12 th January 2018
Last date of a competing offer	Monday, 29 th January 2018
Latest date by which SEBI's observations will be received	Monday, 5 th February 2018
Identified Date*	Wednesday, 7 th February 2018
Last date by which the Letter of Offer will be dispatched to the Shareholders (<i>Except the Acquirers and the Selling Shareholders</i>) as on the identified date	Thursday, 15 th February 2018
Last Date for revising the Offer Price/number of shares	Monday, 19 th February 2018
Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	Tuesday, 20 th February 2018
Date of Public Announcement for Opening the Offer	Wednesday, 21 st February 2018
Date of Commencement of the Tendering Period (Offer Opening Date)	Thursday, 22 nd February 2018
Date of Closing of the Tendering Period (Offer Closing Date)	Thursday, 8 th March 2018
Last date for communicating Rejection/acceptance and payment of consideration for accepted equity shares or equity share certificate/return of unaccepted share certificates/credit of unaccepted shares	Thursday, 22 nd March 2018
Last date for issue of post-offer advertisement	Monday, 2 nd April 2018
Last date for submission of the final report with SEBI	Monday, 2 nd April 2018

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent. It is clarified that the Public Shareholders (registered or unregistered) of the Target Company (except the Acquirers and the Selling Shareholders) are eligible to participate in this Offer any time during the tendering period of the Offer.*

The aforesaid schedule is tentative and is subject to change for any reason, including, but not limited to, delays in receipt of approvals or comments from regulatory authorities.

RISK FACTORS

The risk factors set forth below pertain to this Offer and the Acquirers and are not in relation to the present or future business operations of the Target Company or other related matters. These 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 and/ or tax advisors, for analyzing and understanding all the risks with respect to their participation in this Offer.

Relating to the transaction and the proposed Offer:

- 1) As of the date of this DLoF, the following approvals are required by the Acquirers to complete this Offer:

This Offer is subject to the receipt of approval (“**RBI Approval**”) from the RBI in relation to the transactions contemplated under the SPA involving: (a) acquisition of control of the Target Company by the Acquirers; (b) acquisition of more than 26% of the paid up share capital of the Target Company; and (c) change in the management of the Target Company, resulting in a change of more than 30% (thirty percent) of the directors of the Target Company, excluding independent directors. In order for the aforesaid transactions to be completed, prior approval of the Reserve Bank of India will have to be obtained by the Target Company, pursuant to the provisions of the Reserve Bank of India Circular - RBI/2015-16/122 DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015. The Target Company is in the process of making an application with RBI for the same.

To the best of the knowledge of the Acquirers, other than the aforesaid, there are no statutory or other approvals required to complete 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).

However, in case the RBI Approval, or any other statutory or regulatory approvals which become applicable on a later date, are not received in a timely manner or if there is any litigation to stay the Offer, or SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process (including payment consideration to the Shareholders, if any) may be delayed beyond the schedule of activities indicated in this DLoF. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the Public Shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirers agreeing to pay interest for the delayed period, if directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Where any statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer. The Acquirers will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused.

- 2) In accordance with the terms and conditions of the SPA, the closing of the transactions under the SPA are conditional upon the fulfillment of certain conditions as set out therein (please refer paragraph 3.1.3 – ‘*Key Terms of SPA*’ of this DLoF). In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, if such conditions precedent are not fulfilled for reasons beyond the reasonable control of the Acquirers, and the SPA is rescinded, the Acquirers shall have the right to withdraw this Offer.
- 3) Non-resident holders and OCB holders of Equity Shares must obtain all requisite approvals, if any, to tender the Equity Shares held by them in this Offer. Further, if the Public Shareholders 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 Equity Shares held by them pursuant to this Offer, along with the Form of Acceptance-cum-Acknowledgment and other documents required to be tendered to accept this Offer. In the event such prior approvals are not submitted, the Acquirers reserve their right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder or OCB should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
- 4) The Equity Shares tendered in the Offer may be held in trust by the Clearing Corporation of the Stock Exchange/ Registrar to the Offer until the completion of the Offer and the Public Shareholders who have

tendered their Equity Shares will not be able to trade such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in the Offer. It is understood that the Public Shareholders shall be solely responsible for their decision regarding participation in the Offer.

- 5) Public Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw their shares, even if the acceptance of Equity Shares under the Offer and dispatch of consideration are delayed.
- 6) The Offer is subject to completion risks as would be applicable to similar transactions.

Relating to the Acquirers

- 1) The Acquirers make no assurance with respect to the financial performance of the Target Company and their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- 2) The Acquirers cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
- 3) The Acquirers and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the PA/DPS/this DLoF/Letter of Offer and anyone placing reliance on any other sources of information, not released by the Acquirers, would be doing so at his / her / its own risk.
- 4) The Acquirers do not accept the responsibility with respect to information contained in the PA or DPS or DLOF or Letter of Offer that pertains to the Target Company and has been compiled from publicly available sources.
- 5) Acquirer 1 was incorporated on November 2, 2017 and therefore, it has not reported any financial results since its date of incorporation.

GENERAL

This DLoF together with the DPS and the PA in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the delivery of this DLoF and/or the Letter of Offer, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirers, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirers are under any obligations to update the information contained herein at any time after this date. The Letter of Offer shall be dispatched to all Public Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly, no such Public Shareholder may tender his, her or its Equity Shares in this Offer. Persons in possession of this DLoF and/or the Letter of Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

CURRENCY OF PRESENTATION

1. In this DLoF, all references to “₹”/“Rs.”/“Rupees”/“INR” are to Indian Rupee(s). Throughout this DLoF, all figures have been expressed in “million”, “thousand”, “lakh” or “crore” unless otherwise specifically stated.
2. In this DLoF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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1. ABBREVIATIONS/DEFINITIONS

Acquirers / New Promoters	Poshika Advisory Services LLP and Mr. Shachindra Nath
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
DPS/Detailed Public Statement	Detailed Public Statement relating to the Offer published on January 5, 2018
Draft Letter of Offer/DLoF	This Draft Letter of Offer dated January 12, 2018
Emerging Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis as of the 10 th Working Day from the closure of the Tendering Period of the Open Offer.
Equity Share Capital	Paid up equity share capital of the Target Company is ₹46,985,000/- (Rupees Forty Six Million Nine Hundred and Eighty Five Thousand) consisting of 4,698,500 (Four Million Six Hundred and Ninety Eight Thousand and Five Hundred) equity shares of ₹ 10 (Rupees Ten) each
Equity Shares	Fully paid-up Equity Shares of the Target Company of the face value of ₹10 (Rupees Ten) each
Escrow Account	Shall have the meaning given to it in paragraph 6.2 of this DLoF Letter of Offer
Escrow Amount	Shall have the meaning given to it in paragraph 6.2 of this DLoF
Escrow Bank	IndusInd Bank Limited
FII	Foreign Institutional Investor as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and shall include any re-enactment thereof
Form of Acceptance-cum-Acknowledgement	Shall mean the form of acceptance cum acknowledgement being a part of the Letter of Offer
Identified Date	February 7, 2018 i.e. date falling on the 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
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
₹ / INR / Rs.	Indian Rupees, the legal currency of India
Letter of Offer	The letter of offer to be issued pursuant to the Open Offer duly incorporating the comments from SEBI on the DLoF including the Form of Acceptance-cum-Acknowledgement
Manager/Manager to the Offer	Equirus Capital Private Limited
MICR	Magnetic Ink Character Recognition
NA/N.A.	Not Applicable
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies
Offer Period	Shall mean as defined under the SEBI (SAST) Regulations
Offer/Open Offer	Offer by the Acquires to the Public Shareholders for acquisition of upto 351,683 Equity Shares, representing 0.68% of the Emerging Share Capital of the Target Company
Offer Price	₹129 (Rupees One Hundred and Twenty Nine) per Equity Share
Offer Size	Upto 351,683 Equity Shares representing 0.68% of Emerging Share Capital of the Target Company at a price of ₹129 (Rupees One hundred and Twenty Nine) per Equity Share, aggregating to ₹45,367,107 (Rupees Forty Five Million Three Hundred Sixty Seven Thousand and One Hundred and Seven)
PA / Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirers on December 31, 2017
Promoters / Existing Promoters	Existing promoters of the Target Company, viz. Mr. Ramakant R Chokhani, Mr. Anand R Chokhani, Ms. Neelam R. Chokhani and Ramakant R Chokhani HUF
Public Shareholder(s)	All the public shareholders of the Target Company excluding the parties to the SPA triggering this Offer or persons deemed to be acting in concert with such parties or investors whose shareholding is subject to statutory lock-in in accordance with the proposed preferential issue

	of securities as announced by the Target Company on December 31, 2017
RBI	Reserve Bank of India
Registrar/Registrar to the Offer	Universal Capital Securities Private Limited
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time
SEBI (SAST) Regulations/Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.
Sellers/Selling Shareholders	Mr. Ramakant Chokhani, Ms. Neelam R. Chokhani, Mr. Anand Chokhani and Ramakant Chokhani HUF
Shareholders	The holders of Equity Shares
SPA	The share purchase and transfer of control agreement executed by and between the Selling Shareholders, the Target Company and the Acquirers on December 31, 2017
Stock Exchange	BSE Limited
Target Company	Chokhani Securities Limited
Tendering Period	Period within which Public Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e. the period between and including February 22, 2018 and March 8, 2018
Working Day	A working day for SEBI in Mumbai

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

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE SHAREHOLDERS OF CHOKHANI SECURITIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS 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 ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, EQUIRUS CAPITAL PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 12, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THIS OFFER

3.1 BACKGROUND OF THE OFFER

3.1.1. This Offer is a mandatory open offer being made by the Acquirers to the Public Shareholders of Target Company in compliance with regulation 3(1) and 4 of the SEBI (SAST) Regulations as a result of the SPA pertaining to the direct acquisition of Equity Shares and change in control of the Target Company.

3.1.2. The Acquirers have entered into the SPA with the Selling Shareholders of the Target Company for acquisition of 2,916,800 Equity Shares representing 5.61% of the Emerging Share Capital of the Target Company at the price of ₹ 129 (Rupees One Hundred and Twenty Nine) per Equity Share. The details of the acquisition are as under:

Details of Underlying Transaction						
Type of Transaction (Direct/Indirect)	Mode of Transaction (Agreement/Allotment/Market Purchase)	Shares/ Voting rights acquired/ proposed to be acquired		Total Consideration for shares/ Voting rights acquired (₹) ⁽¹⁾⁽²⁾	Mode of Payment (Cash/Securities)	Regulation which has been triggered
		Number	% vis-à-vis total voting capital ⁽¹⁾⁽²⁾			
Direct Acquisition	SPA	Acquisition of up to 2,916,800 Equity Shares from the Selling Shareholders	Acquisition of up to 5.61% of the Emerging Share Capital of the Target Company from the Selling Shareholders	376.27 Million	Cash	Regulations 3(1) and 4 of the SEBI (SAST) Regulations

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Notes:

- (1) If the Acquirers' shareholding in the Target Company after the completion of the transactions contemplated in this DLoF exceeds the maximum permissible non-public shareholding, then the Acquirers would be under a statutory obligation to reduce the shareholding upto the permissible limits under applicable law.
- (2) The calculations in the above table are based on the Emerging Share Capital of the Target Company as on the date of this DLoF.

As on date of this DLoF, the current shareholding of the Acquirers in the Target Company is as follows:

Shareholding	ACQUIRER 1		ACQUIRER 2		Total	
	Number Of Equity Shares	% ⁽¹⁾	Number Of Equity Shares	%	Number Of Equity Shares	% ⁽¹⁾
As on the date of the PA	879,017	1.69	Nil	0.00	879,017	1.69
Shares acquired between the date of the PA and this DLoF	Nil	0.00	Nil	0.00	Nil	0.00
Shareholding as on the date of this DLoF	879,017	1.69	Nil	0.00	879,017	1.69

Notes:

- (1) The calculations in the above table are based on the Emerging Share Capital of the Target Company as on the date of this DLoF.

3.1.3.KEY TERMS OF THE SPA

- a. As mentioned above, this Offer has been triggered upon the execution of the SPA. The Offer and the underlying transactions pursuant to the SPA are also subject to fulfillment of all the conditions precedent mentioned in the SPA. Pursuant to Regulation 23 of the SEBI (SAST) Regulations, the Acquirers have the right to withdraw the Offer if any condition precedent stipulated in the SPA ("**Conditions Precedent**") is not met for reasons outside the reasonable control of the Acquirers and pursuant to which the SPA is rescinded. Such Conditions Precedent include, *inter alia*, the following: (a) receipt of all the approvals mentioned through paragraph 7.4 - '*Statutory and Other Approvals*' of this DLoF; (b) approval of board and shareholders of the Target Company for adoption of corporate governance code, de-classification of Existing Promoters as 'promoters' of the Target Company and amendment of the memorandum and articles of association of the Target Company; (c) the warranties provided by the Existing Promoters and the Target Company under the SPA, as applicable, shall be true and accurate in all respect; (d) there having been no material adverse effect between the date of execution of the SPA and the closing date, as per the SPA; and (e) approval of the board and shareholders of the Target Company for transfer of the underlying portfolio of the assets of the Target Company (in the form of cash, bank balances, liquid investments and, or listed marketable securities only) which shall be at least ₹400,000,000 (Rupees Four Hundred Million) as reduced by - (i) any stamp duty charges & fee to be paid to the concerned registrar of companies in relation to the increase in the authorized Share Capital of the Target Company as on the closing date, as per the SPA; (ii) any other expenses up to an aggregate amount of ₹ 2,500,000 (Rupees Two Million and Five Hundred Thousand) incurred by the Target Company for executing the transactions contemplated under the SPA; and (iii) any dividend distribution tax up to a maximum amount of ₹5,000,000 (Rupees Five Million) required to be paid by the Target Company towards permissible dividend as stipulated under the SPA.
- b. Under the SPA, the Acquirers have agreed to acquire control and 2,916,800 Equity Shares of the Target Company from Selling Shareholders. Out of the total 2,916,800 number of Equity Shares, Acquirers have the option to acquire 1,124,031 number of Equity Shares through persons acting in concert with the Acquirers. However, as on date, there is no identified person acting in concert with the Acquirers for purchase of the aforesaid 1,124,031 number of Equity Shares. The Selling Shareholders have also provided representations, warranties and indemnity to the Acquirers, as is customary to a transaction of this nature.
- c. Pursuant to the terms agreed under the SPA, the Selling Shareholders shall operate Target Company's business only in the ordinary course, in accordance with past practice. Further, from the date of execution

of the SPA, i.e. December 31, 2017, until the completion of all the transactions contemplated under the SPA, the Target Company and the Selling Shareholders shall ensure to not resolve, commit or agree certain actions without prior consent of the Acquirers. Such actions include:

- i) payment of dividend up to the permissible limit;
- ii) entering into any scheme of amalgamation, arrangement, reorganization, liquidation, winding up or dissolution in relation to the Target Company;
- iii) allotment, issue or grant of any option over or other right to subscribe to or purchase any share or other securities of the Target Company other than under the SPA;
- iv) creating any subsidiary, acquiring or subscribing for shares in any company or becoming a partner in a general or limited partnership;
- v) disposal of any asset of the Target Company, where such disposal will reduce the value of the underlying portfolio of the assets of the Target Company below ₹ 400,000,000 (Rupees Four Hundred Million), subject however to the permissible adjustments agreed in the SPA;
- vi) incurring of any indebtedness in excess of ₹ 1,000,000 (Rupees One Million);
- vii) effecting any change in the composition of the board of directors of the Target Company; and
- viii) writing-off, foregoing, adjusting or entering into any agreement in relation to, any receivables or other payments to be received by the Target Company, whether under any loans, rent or otherwise.

3.1.4. The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulations made under the SEBI Act, 1992.

3.1.5. As on the date of the PA, the Existing Promoters held 3,467,800 Equity Shares of face value of ₹10 each representing 73.81% of Equity Share Capital of the Target Company. The Object of acquisition is to cede control of the management of the Target Company to the Acquirers. Upon completion of this Offer the Existing Promoters shall not have control over the management of the Company and the Acquirers shall hold 4,147,500 Equity Shares representing 7.98% of the Emerging Share Capital of the Target Company.

3.1.6. The Acquirers have not been prohibited by SEBI from dealing in securities.

3.1.7. Proposed change in board of directors after the offer with the names of directors representing the Acquirers:

Acquirer 2, i.e Mr. Shachinra Nath, has been recommended to be appointed as the managing director of the Target Company by its board of directors at its meeting held on December 31, 2017, subject to the approval of the shareholders of the Target Company and the RBI Approval.

3.1.8. As per Regulation 26(6) of the SEBI (SAST) Regulations, the board of directors are required to constitute a committee of 'Independent Directors' to provide reasoned recommendation on this Offer to the Public Shareholders. Such recommendation shall be published at least 2 Working Days before the commencement of the Tendering Period in the same newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

3.2 DETAILS OF THE PROPOSED OFFER

3.2.1 The PA announcing the Open Offer under Regulation 3(1) and 4 and other applicable regulations of SEBI (SAST) Regulations was made on December 31, 2017. In accordance with Regulations 13(4), 14(3) and 15(2) of the SEBI (SAST) Regulations, the DPS was published on January 5, 2018 in the following publications:

Publications	Language	Edition(s)
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition

The PA and DPS are also available on the website of SEBI i.e. www.sebi.gov.in.

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.

3.2.2 This Offer is made by the Acquirers to Public Shareholders, to acquire up to 351,683 Equity Shares representing 0.68% of the Emerging Share Capital, at a price of ₹129 (Rupees One Hundred and Twenty Nine) per Equity Share, to be paid in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST)

Regulations and subject to the terms and conditions set out in the PA, the DPS, this DLoF and the Letter of Offer.

3.2.3 There is no differential pricing for the Offer.

3.2.4 There are no partly paid-up shares in the Target Company.

3.2.5 The Emerging Share Capital of the Target Company as of the 10th Working Day from the closure of the tendering period is computed as per the table below:

Particulars	Number of Shares (on a fully diluted basis)
Equity Shares outstanding as on the date of PA	4,698,500
<i>Add: Securities to be issued on Preferential Basis as approved by the board of directors of the Target Company on December 31, 2017⁽¹⁾</i>	
Compulsorily Convertible Preference Shares	13,837,210
Compulsorily Convertible Debentures	17,325,582
Equity Shares	2,558,138
<i>Add: Securities to be issued as part of scheme of re-arrangement approved by the board of directors of the Target Company on December 31, 2017⁽¹⁾</i>	
Equity Shares	13,565,891
Emerging Share Capital	51,985,321

Note: ⁽¹⁾ For further details, please refer paragraph 5.8 of this DLoF.

3.2.6 This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as on the date of this DLoF.

3.2.7 The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders. In terms of Regulation 19(1) of the SEBI (SAST) Regulations, the Acquirers will accept those Equity Shares of the Target Company which are tendered in valid form in terms of this Offer upto a maximum of 351,683 Equity Shares representing 0.68% of the Emerging Share Capital of the Target Company.

3.2.8 The Acquirers have not acquired any Equity Shares after the date of the PA i.e. December 31, 2017 up to the date of this DLoF.

3.2.9 The Acquirers will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event statutory approvals are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, BSE and the Target Company at its registered office.

3.2.10 The Manager to the Offer shall not deal on their own account in the Equity Shares during the Offer Period.

3.2.11 As per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding (the “**Minimum Public Shareholding**”), as determined in accordance with SCRR, on a continuous basis for listing. If, pursuant to this Offer, the public shareholding in the Target Company falls below the Minimum Public Shareholding, the Acquirers 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

3.3.1 The offer is being made pursuant to Regulation 3(1) and 4 of the SEBI (SAST) Regulations. The Acquirer 2 has significant experience in the financial services industry and intends to leverage his experience to expand the lending business of the Target Company. The acquisition of Equity Shares pursuant to the SPA will give the Acquirer significant ownership as well as management control over the Target Company which will, in turn, assist the Acquirer to grow the business of the Target Company.

3.3.2 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, except as has already been disclosed by the

Target Company in the public domain, the Acquirers do not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of the Target Company in the succeeding two years from the completion of this Offer, except in the ordinary course of business. The Acquirers undertake that they will not restructure, sell, lease, dispose of or otherwise encumber any substantial assets of the Target Company other than in the ordinary course of business, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot during the succeeding two years from the completion of this Offer.

4. BACKGROUND OF THE ACQUIRERS

4.1 Information about Acquirer 1

- 4.1.1 Acquirer 1 is a limited liability partnership and was incorporated on November 2, 2017 under the provisions of the Limited Liability Partnership Act, 2008 with the Limited Liability Partnership Identification Number (“LLPIN”) AAL-0334. Permanent Account Number (PAN) of Acquirer 2 under Indian Income Tax Act is AAVFP0398R. Acquirer 2 is a designated partner of Acquirer 1.
- 4.1.2 Acquirer 1 is engaged in the business of providing financial and management consultancy services and to buy, invest in and acquire shares, stocks, debenture, bonds or any other securities.
- 4.1.3 The registered office of Acquirer 1 is located at 4A, Technopolis, Sector 54 Golf Club Road Gurugram - 122002, Haryana, India. Tel: +91 124 4546566.
- 4.1.4 Acquirer 1 does not belong to any group. The shareholding pattern of Acquirer 1 is as follows:

Sr. No.	Shareholder's Category	Percentage
1.	Promoters	100
2.	FII/Mutual-Funds/FIs/Banks	-
3.	Public	-
	Total Paid up Capital	100

The total capital contribution of the partners of Acquirer 1 is ₹105,100,000 (Indian Rupees One Hundred and Five Million and One Hundred Thousand). Of the total capital contribution, Mr. Shachindra Nath has contributed ₹22,550,000 (Indian Rupees Twenty Two Million Five Hundred Fifty Thousand) constituting 21.46%, Mrs. Shruti Nath has contributed ₹22,550,000 constituting 21.46% and Poshika Financial Ecosystem Private Limited has contributed ₹60,000,000 constituting 57.09%. Mrs. Shruti Nath is the wife of Mr. Shachindra Nath. Mrs. Shruti Nath holds 24.68% and Mr. Shachindra Nath holds 75.32% share capital of Poshika Financial Ecosystem Private Limited.

- 4.1.5 Acquirer 1 has complied with the applicable provisions of Chapter V of SEBI (SAST) Regulations in respect to acquisition/disposal of Equity Shares in the Target Company, within the time specified therein.
- 4.1.6 As of the date, neither the Acquirer 1, nor any of its partners and key employees has any interest in the Target Company except for as mentioned in the paragraph 4.2.7 below and the transactions detailed in paragraph 3.1 (*Background to the Offer*) below which have triggered this Offer. There are no directors representing the Acquirer 1 on the board of directors of the Target Company.
- 4.1.7 As on the date of this DLoF, (i) the Acquirer 1 holds 879,017 Equity Shares representing 1.69% of the Emerging Share Capital of the Target Company; (ii) Target Company had entered into an advisory contract with Poshika Financial Ecosystem Private Limited, an entity related to Acquirers through an engagement letter dated August 31, 2017; (iii) Acquirer 1 alongwith Acquirer 2 intends to take control of the Target Company in terms of the Share Purchase Agreement (iii) Mr. Shachindra Nath has been recommended to be appointed the managing director of the Target Company by its board of directors at their meeting held on December 31, 2017 subject to the approval of the shareholders of the Target Company and RBI Approval. The tenure of the appointment of Mr. Shachindra Nath as managing director of the Target Company shall be 5 (five) years effective from the date of RBI Approval.
- 4.1.8 Acquirer 1 has not been prohibited by SEBI from dealing in securities.
- 4.1.9 Acquirer 1 was incorporated on November 2, 2017 and therefore, it has not reported any financial results

since its date of incorporation. The Networth of Acquirer 1 is ₹ 10,51,00,000/-, as certified by CA Binita Madhwani (Membership no. 515997) of M/s. Jaikumar Tejwani & Co., Chartered Accountants (Firm Registration No.013415N), having office at A-72, First Floor, Captain Gaur Marg, East of Kailash, New Delhi - 110065; Tel. No.: (91)-011-26315145 through their certificate dated January 3, 2018.

4.1.10 There are no entities promoted/controlled/managed by Acquirer 1.

4.1.11 Designated partners of Acquirer 1 are as under:

Sr. No.	Name	Designation	Date of Appointment	DPIN
1	Mr. Shachindra Nath	Designated Partner	2/11/2017	00510618
2	Mrs. Shruti Nath	Designated Partner	2/11/2017	07507061

Experience and qualifications of designated partners of Acquirer 1 are as follows:

Mr. Shachindra Nath

Mr. Shachindra Nath is an experienced financial services professional having several years of experience. He is currently founder of Poshika Financial Ecosystem Private Limited which is engaged in advising, mentoring and investing in financial services. Earlier, he was part of Religare group, an Indian financial services conglomerate.

He is a qualified lawyer and a graduate holder from the Banaras Hindu University (India).

Dr. Shruti Nath

Dr. Shruti Nath is a Doctorate in English Literature. She is currently working as an Assistant Professor at Ansal University, School of Law. She is wife of Shachindra Nath.

4.2 Information about Acquirer 2

4.2.1 Acquirer 2 is a resident of India currently residing at GV-65 , The Palm Springs, Golf Course Road, Sector-54, Sikanderpur Ghosi (68), Gurugram 122 002, Haryana, India. His Permanent Account Number (PAN) under Indian Income Tax Act is ABOPN3798F.

4.2.2 Details with respect to the qualification and experience of Acquirer 2 are set out in Paragraph 4.1.11 above.

4.2.3 As on date of this DLoF, Acquirer 2 does not hold any Equity Shares in the Target Company.

4.2.4 Acquirer 2 is not part of any group.

4.2.5 Acquirer 2 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.2.6 Acquirer 2 has complied with the applicable provisions of Chapter V of SEBI (SAST) Regulations in respect to acquisition/disposal of Equity Shares in the Target Company, within the time specified therein.

4.2.7 Acquirer 2 has been recommended to be appointed as the managing director of the Target Company by its board of directors at its meeting held on December 31, 2017, subject to the approval of the Shareholders and the RBI Approval. The tenure of the appointment of Acquirer 2 as managing director of the Target Company shall be 5 (five) years effective from the date of RBI Approval.

4.2.8 The net worth of Acquirer 2 is ₹ 4,78,32,506/- as certified vide certificate dated January 2, 2018 by CA Jaikumar Tejwani (Membership no. 088624) of M/s. Jaikumar Tejwani & Co., Chartered Accountants (Firm Registration No.013415N), having office at A-72, First Floor, Captain Gaur Marg, East of Kailash, New Delhi - 110065; Tel. No.: (91)-011-26315145.

4.2.9 As a part of the SPA, Acquirer 2 alongwith Acquirer 1 intends to take control of the Target Company and the Target Company has entered into an advisory contract with Poshika Financial Ecosystem Private Limited, an

entity related to Acquirers through an engagement letter dated August 31, 2017.

4.2.10 The entities promoted/controlled/managed by Acquirer 2 are as under:

Sr. No.	Name of the Entities	Designation	% of total Equity Shares held/contribution
1)	Poshika Advisory Services LLP	Designated partner	21.46%
2)	Poshika Financial Ecosystem Private Limited	Director/ promoter	75.32%

4.2.11 Currently, Acquirer 2 does not hold directorships in any listed companies. Acquirer 2 is a whole time director in Poshika Financial Ecosystem Private Limited and designated partner in Acquirer 1.

5. BACKGROUND OF THE TARGET COMPANY

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

- 5.1 The Target Company was originally incorporated on February 10, 1993 under the provisions of the Companies Act, 1956 by the name 'Chokhani Securities Private Limited' and was granted a certificate of incorporation bearing registration number 070739. A fresh certificate of incorporation was issued consequent upon change of name of the from 'Chokhani Securities Private Limited' to 'Chokhani Securities Limited' bearing the CIN L67120MH1993PLC070739 dated July 26, 1994 by Registrar of Companies at Mumbai.
- 5.2 The registered office of the Target Company is situated at 5-A, Maker Bhavan – II, 18, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai - 400020.
- 5.3 The business of the Target Company, inter-alia, includes investing the capital or other moneys of the company in the purchase or upon the security of shares, stock, debentures, debenture – stock, bonds, mortgages, obligations and securities of any kind, carrying on business in shares, stocks, debentures, debenture stock, bonds, mortgages, obligations and other securities, commissioners, trust, municipal or local authority and to carry on business of underwriters, film financing, hire purchase financing and to carry on business of financing industrial enterprises, trade and business financing.
- 5.4 The authorized share capital of the Target Company is ₹60,000,000 (Rupees Sixty Million) comprising of 6,000,000 (Six Million) Equity Shares of ₹10 each. The paid-up Equity Share Capital of the Target Company is ₹46,985,000 (Rupees Forty Six Million Nine Hundred and Eighty Five Thousand) consisting of 4,698,500 (Four Million Six Hundred and Ninety Eight Thousand and Five Hundred) of ₹10 (Rupees Ten) each fully paidup.
- 5.5 The Equity Shares of the Target Company are listed on BSE having a scrip code as 511742 with symbol CHOKSEC. The Equity Shares of the Target Company are not frequently traded within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations. The ISIN of the Target Company is INE583D01011.

5.6 Share Capital Structure

The Equity Share Capital structure of the Target Company is as follows:

Paid-up Shares	No. of Equity Shares/ Voting Rights	% of Equity Shares/ Voting Rights
Fully Paid-up Equity Shares	4,698,500	100%
Partly Paid-up Equity Shares	Nil	Nil
Total Paid-up Equity Shares ¹	4,698,500	100%
Total voting rights in Target Company ¹	4,698,500	100%

¹ The Target Company in its board meeting dated December 31, 2017 approved issue of certain securities (subject to shareholder, regulatory and other relevant approvals). Please refer paragraph 5.8 below for further details of the same. As the same is subject to approval from RBI and shareholders of the Target Company, the resultant securities have not been included in the computation of voting rights

- 5.7 As of the date of this Draft Letter of Offer, there are no partly paid-up Equity Shares and outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the

Target Company, except as proposed to be issued in terms of the resolutions passed by the board of directors in its board meeting dated December 31, 2017 and as enumerated in paragraph 5.8 of this DLoF and the same has been taken into account for the purpose of calculating 'Emerging Share Capital'. Further, there is no differential pricing for the Offer.

5.8 The Target Company has made disclosures under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the board of directors of the Target Company in their meeting dated December 31, 2017 approved the following (subject to shareholder, regulatory and other relevant approvals):

- a. Execution of agreements to issue upto 3,488,372 number of fully compulsory convertible debentures ("CCDs") of ₹129 (Rupees One Hundred and Twenty Nine) each which would be converted into 1 equity share of ₹ 10 (Rupees Ten) each at a premium of ₹119 (Rupees One Hundred and Nineteen) each aggregating upto ₹ 449,999,988 (Rupees Four Hundred and Forty Nine Million Nine Hundred Ninety Nine Thousand Nine Hundred and Eighty Eight) to Indgrowth Capital Fund I Limited as a public shareholder on preferential basis;
- b. Execution of agreements to issue upto 1,279,069 number of Equity Shares at ₹ 129 (Rupees One Hundred and Twenty Nine) each (face value ₹10 (Rupees Ten) issued at a premium of ₹ 119 (Rupees One Hundred and Nineteen) aggregating to upto ₹ 164,999,901 (Rupees One Hundred and Sixty Four Million Nine Hundred and Ninety Nine Thousand Nine Hundred and One), and upto 13,837,210 number of CCDs of ₹ 129 (Rupees One Hundred and Twenty Nine) each, which would be converted into 1 equity share of ₹ 10 (Rupees Ten) each at a premium of ₹ 119 (Rupees One Hundred and Nineteen) each aggregating upto ₹ 1,785,000,090 (One Billion Seven Hundred and Eight Five Million and Ninety) to Clearsky Investment Holdings Pte. Ltd. as a public shareholder on preferential basis;
- c. Execution of agreements to issue upto 1,279,069 number of Equity Shares at ₹ 129 (Rupees One Hundred and Twenty Nine) each (face value ₹ 10 (Rupees Ten) issued at a premium of ₹ 119 (Rupees One Hundred and Nineteen) aggregating to upto ₹ 16,49,99,901 (Rupees One Hundred and Sixty Four Million Nine Hundred and Ninety Nine Thousand Nine Hundred and One), and upto 13,837,210 number of fully compulsory convertible preference shares of ₹ 129 (Rupees One Hundred and Twenty Nine) each, which would be converted into 1 equity share of ₹ 10 (Rupees Ten) each at a premium of ₹ 119 (Rupees One Hundred and Nineteen) each aggregating upto ₹ 1,785,000,090 (One Billion Seven Hundred and Eight Five Million and Ninety) to New Quest Asia Investments III Limited as a public shareholder on preferential basis; and
- d. Scheme of arrangement between the Target Company and Asia Pragati Capfin Private Limited, their respective shareholders and creditors whereby the lending business of Asia Pragati Capfin Private Limited comprising of business of extending term loans and working capital loans to small and medium sized companies, together with all its assets and liabilities, (but excluding specifically retained assets liabilities, licenses, approvals etc., which more appropriately stated in the scheme) shall be first demerged from Asia Pragati Capfin Private Limited and consequently merged with the Target Company. In consideration of the foregoing, Asia Pragati Capfin Private Limited shall be paid consideration by way of issuance of 13,565,891 Equity Shares of the Target Company

5.9 Details of the Board of Directors of the Target Company

As on the date of this DLoF, the present composition of the board of directors is as follows:

Sr. No.	Name of Director	DIN	Designation	Date of Appointment
1)	Mr. Ramakant Chokhani	00613176	Chairman	February 10, 1993
2)	Mr. Jyoti Anuj Jain	00613331	Director	February 2, 2015
3)	Mr. Pravin Gupta	00191085	Independent Director	January 6, 2012
4)	Mr. Rajesh Chokhani	00238789	Independent Director	May 13, 2005

5.10 The key financial information of the Target Company based on audited consolidated financial statements for FY 2016-2017, FY 2015-2016, FY 2014-2015 and based on limited review financial statements for the six

month period ended September 30, 2017, are as follows:

Profit & Loss Statement:

(Amount in Lacs, except per share data)

Particulars	H1FY18	FY 2016-17	FY 2015-16	FY 2014-15
	(Unaudited)	(Audited)	(Audited)	(Audited)
Income from Operations	(1)	14	77	8
(+) Other Income	74	221	301	229
Total Income	74	234	378	237
Total Expenditure	11	33	31	57
Profit before Depreciation, Interest and Tax	-	-	-	-
(-) Depreciation	-	-	-	-
(-) Interest and Financial Charges	-	-	-	-
Exceptional Items	-	-	-	-
Profit before Tax	63	202	346	180
Tax Expenses	5	4	47	13
Profit after Tax	58	197	299	167

Balance Sheet Statement:

(Amount in Lacs)

Particulars	H1FY18	FY 2016-17	FY 2015-16	FY 2014-15
	(Unaudited)	(Audited)	(Audited)	(Audited)
Sources of Funds				
Paid up Equity Share Capital	470	470	470	470
Reserves & Surplus (Excluding Revaluation Reserve)	2,999	2,936	2,734	2,452
Net Worth	3,468	3,406	3,204	2,922
Investment Revaluation Reserve		-	-	-
Non-Current Liabilities		-	-	-
Current Liabilities	75	18	21	44
Total	3,543	3,424	3,224	2,966
Uses of Funds				
Non-current Assets				
Net Fixed Assets		-	-	-
Non-current Investments	3,316	2,579	2,455	1,517
Deferred Tax Assets (Net)		-	-	-
Other Non Current Assets		-	-	-
Long-term loans and advances		-	-	-
Current assets	228	845	769	1,449
Total	3,543	3,424	3,224	2,966

Other Financial data

(Amount in Lacs, except EPS)

Particulars	H1FY18	FY2016-17	FY2015-16	FY2014-15
	(Unaudited)	(Audited)	(Audited)	(Audited)
Dividend (%)	-	-	-	-
Earnings Per Share (Basic)	1.24	4.20	6.36	3.54
Earnings Per Share (Diluted)	1.24	4.20	6.36	3.54
Net Worth	3,468	3,406	3,204	2,922
RoNW (%)	1.68% ⁵	5.79%	9.33%	5.70%
Book Value	73.82	72.48	68.18	62.18

Notes:

1. The aforesaid figures have been extracted from the financial statements for the half year ended September 30, 2017 as reported on BSE.
2. Source: Audited financial statements of the Target Company for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015.
3. Return on Net worth has been calculated as profit after tax/net worth
4. Book value per share has been calculated as Net worth/No of shares
5. For the half year ended on September 30, 2017, the RoNW % is for the period of six months and thus not comparable with prior periods

5. 11 Pre and Post-Offer Shareholding Pattern of the Target Company as on date of DLoF are as follows

Shareholders Category	Shareholding and voting rights prior to the SPA/acquisition and Offer		Share/voting rights agreed to be acquired which triggered off the Regulations		Share/voting rights to be acquired in Open Offer (Assuming full acceptance)		Shareholding/voting rights after acquisition and Offer	
	(A) ⁽¹⁾		(B) ⁽¹⁾		(C) ⁽¹⁾		(A)+(B)+(C)=(D) ⁽¹⁾	
	No.	%	No.	%	No.	%	No.	%
1) Promoter Group								
a) Parties to the SPA								
Ramakant Chokhani	1,806,490	3.48	(1,555,490)	(2.99)	-	-	251,000	0.48
Anand Chokhani	327,710	0.63	(327,710)	(0.63)	-	-	-	-
Neelam Chokhani	700,000	1.35	(400,000)	(0.77)	-	-	300,000	0.58
Ramakant Chokhani HUF	633,600	1.22	(633,600)	(1.22)	-	-	-	-
b) Promoters other than (a) above	-	-	-	-	-	-	-	-
Total (1) (a+b)	3,467,800	6.67	(2,916,800)	(5.61)	-	-	551,000	1.06
2) Acquirers								
a) Acquirer 1	879,017	1.69	2,916,800	5.61	351,683	0.68	4,147,500	7.98
b) Acquirer 2	-	-	-	-	-	-	-	-
Total (2) (a +b)	879,017	1.69	2,916,800	5.61	351,683	0.68	4,147,500	7.98
3) Parties to agreement other than 1 (a) & 2								
4) Public (other than parties to agreement and								

Acquirers)									
a) FIs/MFs/FIIs/B anks	-	-	-	-	-	-	-	-	-
b) Others	47,638,504 (2)	91.63	-	-	(351,683)	(0.68)	47,286,82 1	90.96	
Total 4 (a+b)	47,638,504	91.63	-	-	-	-	47,286,82 1	90.96	
GRAND TOTAL (1+2+3+4)	51,985,321	100.00	0.00	0.00	0.00	0.00	51,985,32 1	100.00	

Source: BSE filings

Note:

(1) Percentages calculated on the basis of Emerging Share Capital.

(2) The shareholding has been adjusted inline with actions taken by the board of directors of the Target Company and enumerated in paragraph 5.8 above.

5. 12 Details of the Compliance Officer

Name : Mr. Manish Parikh
Registered Office : 5-A, Maker Bhavan – II, 18, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai – 400020
Contact No. : +91 22-2200 7772-73
E-Mail Id : manish.parikh@rrcfincials.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 The Equity Shares of the Target Company are presently listed and traded on BSE having a scrip code as 511742. The Equity Shares of the Target Company are not frequently traded on BSE during the 12 calendar months preceding the month in which PA was made as set out under Regulation 2(1) (j) of the SEBI (SAST) Regulations.

6.1.2 The annualized trading turnover of the Equity Shares of the Target Company during 12 calendar months preceding the month of PA (December 1, 2016 to November 30, 2017) on BSE on which the Equity Shares of the Target Company are traded as detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of PA	Total No. of Equity Shares listed	Annualized trading turnover (as % of total number of listed shares)
BSE	66,054	46,98,500	1.41%

(Source: www.bseindia.com)

6.1.3 The Offer Price of ₹ 129 (Rupees One Hundred and Twenty Nine) is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations on the basis of the following:

Sr. No.	Particulars	Amount (In. ₹)
a)	The highest negotiated price per Equity Share for acquisition under SPA being the documents attracting the obligation of the Open Offer.	129.00
b)	The volume weighted average price paid or payable for acquisitions, whether by the Acquirers or by any person acting in concert during the 52 weeks immediately preceding the date of the PA.	52.05
c)	The highest price paid or payable for any acquisition whether by the Acquirers or by any person acting in concert, during the 26 weeks immediately preceding the date of the PA.	52.05

d)	The volume-weighted average market price of Shares for a period of 60 trading days immediately preceding the date of the shares are the PA as traded on BSE	:	Not applicable as shares are infrequently traded
e)	The price determined by the Acquirers and the Manager taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies.		73.82*

**Acquirers appointed JKJS & Co., Chartered Accountants for preparing a valuation report of the Target Company. JKJS & Co. in its valuation report dated December 31, 2017 assigned a price per share of INR 73.82 per Equity Share. Accordingly, the Acquirers and Managers for the purpose of determining the Offer Price have considered INR 73.82.*

- 6.1.4 In view of the parameters considered and presented in the table above and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹ 129 (Rupees One Hundred and Twenty Nine) per Equity Share is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations.
- 6.1.5 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.
- 6.1.6 In the event of further acquisition of Equity Shares of the Target Company by the Acquirers 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. However, the Acquirers 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.
- 6.1.7 If the Acquirers 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, 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.
- 6.1.8 There has been no revision in the Offer Price or Offer Size as of the date of this DLoF. Further revisions in the Offer Price for any reason including competing offers shall be done prior to the commencement of the last 3 Working Days before the commencement of the Tendering Period and will be notified to the Public Shareholders by (i) notification to the Stock Exchange, SEBI and the Target Company at its registered office, and (ii) public announcement in the same newspapers in which the DPS has been published. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations

6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS

- 6.2.1 Assuming full acceptance of the Offer, the maximum consideration payable under this Offer shall be ₹ 45,367,107 (Indian Rupees Forty Five Million Three Hundred Sixty Seven Thousand and One Hundred & Seven) (“**Maximum Consideration**”).
- 6.2.2 In accordance with regulation 17(1) of SEBI (SAST) Regulations, the Acquirers have opened an ‘Escrow Account’ under the name and title of “Chokhani Securities Limited-Open Offer Escrow Account” (“**Escrow Account**”) with IndusInd Bank Limited, having its registered office at 2401 Gen Thimmayya Road Contonment Pune 411001, Maharashtra, India, acting through its branch office located at Shop No 2/3, Atlanta Building, Ground Floor, Nariman Point, Mumbai – 400021, bearing account number 251002199398 and deposited an amount of ₹ 45,367,107 (Indian Rupees Forty Five Million Three Hundred Sixty Seven Thousand and One Hundred & Seven) (“**Escrow Amount**”), being 100% of the consideration payable under the Offer, on January 2, 2018 (date of deposit). The deposit in the Escrow Account has been confirmed vide bank statement dated January 3, 2018 issued by the Escrow Bank.
- 6.2.3 The Acquirers have empowered the Manager to the Offer i.e. Equirus Capital Private Limited to operate the Escrow Account in terms of the SEBI (SAST) Regulations.

- 6.2.4 CA Jaikumar Tejwani, Chartered Accountant, (Membership No.088624), of M/s. Jaikumar Tejwani & Co., Chartered Accountants (Firm Registration No.013415N) has vide certificate dated January 3, 2018 certified that adequate and firm financial resources are available with the Acquirers to enable them to fulfill their financial obligations under the Open Offer.
- 6.2.5 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations.
- 6.2.6 In case of any upward revision in the Offer Price or the Offer Size, the value of the Escrow Amount shall be computed on the revised consideration calculated at such revised Offer Price or Offer Size and any additional amounts required will be funded via cash in the Escrow Account by the Acquirers prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

- 7.1.1 This Offer is being made by the Acquirers to the Public Shareholders (i) whose names appear in the register of members of the Target Company as on the Identified Date i.e., February 7, 2018 (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective depositories, as of the close of business on the Identified Date i.e., February 7, 2018; and (iii) those persons who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer, i.e. March 8, 2018, but who are not the registered Equity Shareholders.
- 7.1.2 This Offer is not conditional upon any minimum level of acceptance by the Shareholder(s) of the Target Company.
- 7.1.3 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.
- 7.1.4 Public Shareholders can write to the Registrar to the Offer/ Manager to the Offer requesting for the Letter of Offer. Alternatively, the Letter of Offer would also be available on the website of SEBI i.e. www.sebi.gov.in.
- 7.1.5 Neither the Acquirers, 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.
- 7.1.6 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.
- 7.1.7 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.
- 7.1.8 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms and conditions of this Offer.
- 7.1.9 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tendered their Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance.
- 7.1.10 Each Public Shareholder to whom this Offer is being made is free to offer the Equity Shares held by him in whole or in part while accepting this Offer.

7.2 LOCKED-IN SHARES

As on date, the Target Company does not have any Equity Shares under lock-in pursuant to Regulation 78(6) of Chapter VII of SEBI (ICDR) Regulations, 2009 except the securities issued pursuant to the proposed preferential issue announced by the Target Company as on 31st December 2017 when issued and allotted.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

- 7.3.1 The Letter of Offer shall be sent to Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date i.e. February 7, 2018
- 7.3.2 Accidental omission to dispatch the Letter of Offer to any member entitled to this Open Offer or non- receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.3.3 The PA, the DPS, this DLoF and the Letter of Offer shall also be available on the website of SEBI, i.e. www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, may download the Letter of Offer from the website of SEBI for applying in the Offer.
- 7.3.4 By accepting this offer, the Public Shareholders confirm that they are not persons acting in concert with the Acquirers for the purpose of this Offer.
- 7.3.5 The acceptance of this Offer by the Equity Shareholders of the Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever and should be received by the Registrar to the Offer at the address mentioned on page no. 23 of this DLoF on or before the closure of the Tendering Period i.e. March 8, 2018.
- 7.3.6 The Acquirers reserve the right to revise the Offer Price and/or the Offer Size upwards before at least 3 Working Days prior to the commencement of the Tendering Period, i.e. up to February 19, 2018, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price would be announced in the newspapers. The Acquirers would pay such revised price for all the shares validly tendered during the Tendering Period and accepted under the Offer in accordance with the terms of the Letter of Offer.
- 7.3.7 The decision on acceptance of Equity Shares tendered in this Offer will be made by the Acquirers in consultation with the Manager to the Offer.

7.4 STATUTORY AND OTHER APPROVALS

- 7.4.1 As of the date of this DLoF, to the best knowledge of the Acquirers, there are no other statutory approvals required by the Acquirers to complete this Offer other than the following:

Approval from Reserve Bank of India: The transactions contemplated under the SPA involves: (a) acquisition of control of the Target Company; (b) acquisition of more than 26% of the paid up share capital of the Target Company; and (c) change in the management of the Target Company, resulting in a change of more than 30% (thirty percent) of the directors of the Target Company, excluding independent directors. In order for the aforesaid transactions to be completed, prior approval of RBI will have to be obtained by the Target Company, pursuant to the provisions of the Reserve Bank of India Circular - RBI/2015-16/122 DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015. The Target Company is in the process of making an application with Reserve Bank of India for the same.

To the best of the knowledge of the Acquirers, other than the aforesaid, there are no statutory or other approvals required to complete 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).

In the event of withdrawal of this Offer, for reasons outside the reasonable control of the Acquirers, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS has been published and copy of such public announcement will also be sent to SEBI, Stock Exchange and to the Target Company at its registered office.

7.4.2 In case of delay in receipt of any Statutory Approval(s), pursuant to Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that delay in receipt of requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, may grant an extension of time for the purpose of the completion of this Offer, subject to Acquirers agreeing to pay interest for the delayed period, provided where the statutory approval(s) extend to some but not all Shareholders, the Acquirers have the option to make payment to such Shareholders in respect of whom no statutory approval(s) are required in order to complete this Open Offer. Further, in case the delay occurs on account of wilful default by the Acquirers in obtaining any statutory approval(s) in time, the amount lying in the Escrow Account will be liable to be forfeited and dealt with pursuant to Regulation 17(10)(e) of the SEBI (SAST) Regulations.

7.4.3 The acquisition of the Equity Shares tendered by NRI and OCB are subject to approval/exemption, if applicable, from RBI. NRI and OCB holders of the Equity Shares in the Target Company, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including from RBI) and submit such approvals, along with the other requisite documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including RBI) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding such Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer.

7.4.4 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals which become applicable prior to completion of the Offer are not received, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer through the Manager 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.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1 The Acquirers have appointed Universal Capital Securities Private Limited as the Registrar to the Offer.

8.2 The Registrar would be accepting the documents by Hand Delivery/Regd. Post/Speed Post/Courier at the following specified centre:

Name & Address	Contact Person	Working Days/Timings	Mode of Delivery
Universal Capital Securities Pvt. Ltd. CIN: U74200MH1991PTC062536 Address: 21, Shakil Nivas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri East, Mumbai – 400 093 Tel: +91 (022) 28207203-05 Fax: +91 (022) 28207207 Email: ravi@unisec.in	Mr. Ravindra Utekar	Monday to Friday from 10.30 am – 5pm Saturday from 10.30 am – 1pm	Hand Delivery / Registered Post / Speed Post / Courier

8.3 The Target Company is presently having connectivity with Central Depository Services (India) Limited and National Securities Depositories Limited.

8.4 This Open Offer will be implemented by the Acquirers through Stock Exchange Mechanism made available by BSE in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and SEBI Circular No. CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 as amended via Circular No. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and notices/guidelines issued by BSE and the Clearing Corporation in relation to the mechanism/process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time.

8.5 BSE shall be the Stock Exchange for the purpose of tendering the Equity shares in the Open Offer.

8.6 The Acquirers have appointed Equirus Securities Private Limited (“**Buying Broker**”) for the Open Offer

through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made.

The Contact Details of the Buying Broker are mentioned below:

Name of the Broker : Equirus Securities Private Limited
Address : 3rd Floor, House No. 9, Magnet Corporate Park
Near Zydus Hospital, B/H Intas Pharma, Sola Bridge,
S. G. Highway, Ahmedabad- 380 054
Tel No. : +91 79 6190 9561
Contact Person : Mr. Jay Soni

- 8.7 All the Shareholders who desire to tender their Equity Shares under the Open Offer should consult with their respective depository participants and their respective stock brokers (“**Selling Broker**”) well in advance to understand the process and methodology in relation to tendering of Equity Shares through the Stock Exchange.
- 8.8 During the Tendering Period, the tender of the Equity Shares by the Equity Shareholders in this Offer will be placed through their respective Selling Brokers during normal trading hours of the secondary market.
- 8.9 Separate Acquisition window will be provided by the Stock Exchange to facilitate placing of sell orders. The Selling Members can enter Orders for Demat Shares as well as physical Shares.
- 8.10 The cumulative quantity tendered shall be updated on the website of the Stock Exchange throughout the trading session at specific intervals by the Stock Exchange during tendering period.
- 8.11 The Equity Shares to be tendered under the Offer and other relevant documents should not be sent to the Acquirers or the target Company.

8.12 Procedure for tendering Equity Shares held in Dematerialised Form

- 8.11.1 The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Stock Broker/Selling Member indicating details of Shares they wish to tender in the Open Offer.
- 8.11.2 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 (herein referred to as “**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.
- 8.11.3 Shareholders will have to submit Delivery Instruction Slips (“DIS”) duly filled in specifying market type as “Open Offer” and execution date along with other details to their respective broker so that Equity Shares can be tendered in Open Offer.
- 8.11.4 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.
- 8.11.5 Upon placing the bid, the Seller Member(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.
- 8.11.6 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.
- 8.11.7 The Public 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 pro-rata acceptance in the Open Offer.

8.13 Procedure for tendering Equity Shares held in Physical Form

- 8.13.1 The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Member and submit complete set of documents for verification procedure as mentioned below:
- (a) Original share certificate(s)
 - (b) Valid Form No. SH-4 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.
 - (c) Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all Transferors)
 - (d) Any other relevant document such as Power of Attorney, corporate authorization (including Board Resolution/Specimen Signature)
 - (e) Self-attested copy of address proof such as valid Aadhar Card, Voter ID, Passport, etc.
 - (f) Form of acceptance duly signed by sole/joint shareholders
- 8.13.2 The Seller Member should place bids on the Exchange Platform with relevant details as mentioned on Physical Share Certificate(s). The Seller Member(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No., Dist. Nos., No. of shares, etc.
- 8.13.3 The Seller Member/Public Shareholder must deliver the Share Certificates & other requisite documents along with TRS to the RTA. Physical Share Certificates to reach RTA within two (2) days of bidding by Seller Member.
- 8.13.4 Shareholders holding Physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA, the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- 8.13.5 In case, any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

8.14 Acceptance of Equity Shares

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

In the event that the number of Equity Shares (including demat shares, physical) validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares for which the Offer is made, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

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

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

In case the Equity Shares are in dematerialised form:

A Public Shareholder may participate in the Offer by approaching Stock Broker/Selling Member and tender Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer.

In case the Equity Shares are in Physical form:

An eligible person 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 before 5:00 PM on the Closing Date. 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.

8.16 Settlement Process

- 8.16.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the account of Clearing Corporation.
- 8.16.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.16.3 The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. For Equity Shares accepted under the Offer, the Equity Shareholders will receive funds pay-out directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, in the event that the pay-outs are rejected by the Equity Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Equity Shareholders. The Equity Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- 8.16.4 In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Offer.
- 8.16.5 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.
- 8.16.6 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 escrow account which will be opened by the Acquirers.
- 8.16.7 Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholders directly by Registrar to the Offer.
- 8.16.8 Shareholders who intend to participate in the Offer should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction) . The consideration received by the selling Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accepts no responsibility to bear or pay such additional cost, charges and expenses((including brokerage) incurred solely by the Selling Shareholder.
- 8.16.9 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected except where "No Objection Certificate" from lenders is attached.

8.16.10 The Letter of Offer would also be available on the website of i.e. www.sebi.gov.in.

8.16.11 The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the 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.

8.17 Settlement of Funds/Payment Consideration

8.17.1 The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.

8.17.2 For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds pay-out to respective Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction are 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.

8.17.3 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 pay-out in their settlement bank account.

8.17.4 The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder/Selling Broker(s)/Custodians as per secondary market pay out mechanism.

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

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

9. COMPLIANCE WITH TAX REQUIREMENTS

9.1 Taxability of Capital Gain in the hands of the Public Shareholder

9.1.1 As per the current provisions of the Income Tax Act, 1961 unless specifically exempted, 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 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.

9.1.2 Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less, which are sold, will be subject to short term capital gains tax.

9.1.3. Taxability of capital gain arising to a non-resident in India from the sale of equity shares shall be determined basis the provisions of the Income Tax Act or the Double Taxation Avoidance Agreement entered between India and country of which the non-resident seller is resident, subject to satisfaction of certain prescribed conditions.

9.2. Business Income

9.2.1. Under current Indian tax laws and regulations, income arising from the sale of equity shares in an Indian company may be taxable in India as income from business, depending on the Public Shareholder.

9.3. Tax Deduction at Source

- 9.3.1. In case of resident Public Shareholders – the Acquirer and / or the PAC shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. Such resident Public Shareholder will be liable to pay tax on their income as per the provisions of the Act as applicable to them.
- 9.3.2. In case of non-resident Public Shareholders – the Acquirer and / or the PAC will deduct income-tax at source at the applicable rates under the Income Tax Act on the consideration payable to non-resident Public Shareholders pursuant to the Offer if shares are held for a period of 12 months or less.
- 9.3.3. In case of interest payments, if any, by the Acquirer and/ or the PAC for delay in payment of Offer consideration or a part thereof, the Acquirer and/ or the PAC will deduct taxes at source at the applicable rates under the Income Tax Act.

9.4. Others

- 9.4.1. Notwithstanding the details given above, all payments will be made to Public Shareholders subject to compliance with prevailing tax laws.
- 9.4.2. The tax deducted by the Acquirer and / or the PAC while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Offer, before the income tax authorities.
- 9.4.3. The Acquirer and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

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 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 the Target Company at the office of the Manager to the Offer, i.e. Equirus Capital Private Limited at 12th Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400 013, on any day (except Saturdays, Sundays and Public Holidays) between 10.30 AM to 2.00 PM from the Date of Opening of the Offer till the Date of Closure of the Offer:

- 1) Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- 2) Audited Annual Accounts for the year ended March 31, 2017, March 31, 2016 and March 31, 2015 of the Target Company.
- 3) Certificate dated January 3, 2018, issued by CA Binita Madhwani (Membership no. 515997) of M/s. Jaikumar Tejwani & Co., Chartered Accountants (Firm Registration No.013415N), certifying the Networth of Acquirer 1.
- 4) Certificate dated January 2, 2018, issued by CA Jaikumar Tejwani (Membership no. 088624) of M/s. Jaikumar Tejwani & Co., Chartered Accountants (Firm Registration No.013415N), certifying the Networth of Acquirer 2.
- 5) Certificate dated January 3, 2018, issued by CA Jaikumar Tejwani, Chartered Accountant, (Membership No.088624), of M/s. Jaikumar Tejwani & Co., Chartered Accountants (Firm Registration No.013415N), certifying that the Acquirers has firm and adequate financial resources to meet the financial obligations under the Open Offer.
- 6) Memorandum of Understanding between Lead Manager i.e. Equirus Capital Private Limited and the Acquirers.

- 7) Share Purchase and Transfer of Control Agreement entered between the Acquirers and the Selling Shareholders on December 31, 2017.
- 8) Letter/ Bank Statement from IndusInd Bank Limited dated January 3, 2018 confirming the balance of ₹ 45,367,107 in the Escrow Account.
- 9) Due Diligence Certificate dated January 12, 2018 submitted to SEBI by Manager to the Offer.
- 10) Undertaking from the Acquirers for unconditional payment of the consideration within 10 Working Days from the last date of the tendering period to all the Shareholders of the Target Company whose applications are accepted in the Open Offer.
- 11) Undertaking from the Acquirers with regard to responsibility under Regulation 2(o) and Regulation 7(4) of the SEBI (SAST) Regulations.
- 12) Copies of the Public Announcement dated December 31, 2017 & a published copy of the DPS which appeared in the newspapers on January 5, 2018.
- 13) A copy of the Recommendations to be published on February 20, 2018 made by the committee of Independent Directors of the Target Company as required in terms of Regulation 26(7) of the SEBI (SAST) Regulations.
- 14) Copy of the Observation Letter no [●] dated [●] issued by SEBI.

11. DECLARATION BY THE ACQUIRERS

The Acquirers, accepts full responsibility, for the information contained in this Draft Letter of Offer and also for ensuring the compliance with the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations.

We, the Acquirers, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this DLoF is in compliance with the SEBI (SAST) Regulations, and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this DLoF are 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 Draft Letter of Offer are the Acquirers:

- 1) **Sd/-
Poshika Advisory Services LLP (“Acquirer 1”)**
- 2) **Sd/-
Mr. Shachindra Nath (“Acquirer 2”)**

Date : January 12, 2018

Place : Mumbai