

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 Shareholder(s) of Kapashi Commercial Limited (“**KCL**”/“**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 this Letter of Offer to the Members of the Stock Exchange through whom the said sale was affected.

OPEN OFFER BY

Mr. Mahendra Gulabdas Patel (“Acquirer 1”)

R/o 37, Sarathi Bungalow, Part-III, Nr. Surdhara Circle, Drive-In Road, Thaltej, Ahmedabad-380 054

Tel. No.: +91 079 6777 8002, **E-Mail ID:** mgp@lincolnpharma.com

and

Mr. Munjal Mahendra Patel (“Acquirer 2”)

R/o 37, Sarathi Bunglow, Part-III, Nr. Surdhara Circle, Drive-In Road, Thaltej, Ahmedabad-380 054

Tel. No.: +91 079 6777 8004. **E-Mail ID:** munjal@lincolnpharma.com

and

Mrs. Shweta Samir Shah (“Acquirer 3”)

R/o 2, Suvog Bunglow, Vejalpur, Ahmedabad-380 051

Contact No.: +91 99250 06929, **E-Mail ID:** shweta_shah171969@yahoo.com

to the existing shareholders of

KAPASHI COMMERCIAL LIMITED

(CIN: L51900MH1985PLC037452)



Registered Office: Nishuvi, 4th Floor, 75, Dr. Annie Besant Road, Worli, Mumbai-400 018

Tel. No.: +91 22 4300 5100/2495 4236, **E-Mail ID:** admin@kcltd.co.in

Website: www.kapashicommercial.com

to acquire 2,60,000 Equity Shares of ₹10 each representing 26% of Equity Share Capital/Voting Capital of the Target Company at a price of ₹51.50 (Rupees Fifty One and Paise Fifty only) per Equity Share (**‘Offer Price’**), payable in cash

- This Offer is being made by the Acquirers pursuant to Regulation 3(1) and 4 of SEBI (SAST) Regulations 2011.
- This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.
- As on date of this Letter of Offer, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Open Offer. However, the Open Offer would be subject to all Statutory Approvals that may become applicable at a later date but before completion of the Open Offer.
- 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 23, 2018 (Friday) in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement ('DPS') was published. Such revised Offer Price would be payable to all the Shareholders, who have validly tendered their Equity Shares anytime during the Tendering Period to the extent their Equity Shares have been verified and accepted under the Offer, by the Acquirers. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, 2011, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the DPS had been published.
- If there is a competing offer:
The Public Offers under all the subsisting bids shall open and close on the same date.
- A copy of the Public Announcement ('PA'), Detailed Public Statement ('DPS') and this Letter of Offer ('LoF') are also available on the website of Securities and Exchange Board of India ('SEBI') at www.sebi.gov.in.

MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
	Mark Corporate Advisors Private Limited CIN: U67190MH2008PTC181996 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057. Tel. No.: +91 22 2612 3207/08 E-Mail: openoffer@markcorporateadvisors.com Contact Person: Mr. Manish Gaur SEBI Reg. No.: INM000012128		Purva Shareregistry (India) Private Limited CIN: U67120MH1993PTC074079 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai-400 011, Tel. No.: +91 22 2301 8261/2518 E-Mail ID: busicomp@vsnl.com Contact Person: Ms. Deepali Dhuri Website: www.purvashare.com SEBI Reg. No.: INR000001112
Offer Opens on:	[•]	Offer Closes on:	[•]

TENTATIVE SCHEDULE OF ACTIVITIES PERTAINING TO THE OFFER:

Nature of Activity	Day & Date
Date of the PA	Saturday, December 30, 2017
Date of publishing the Detailed Public Statement	Friday, January 05, 2018
Last date for filing of Draft Letter of Offer with SEBI	Friday, January 12, 2018
Last date of a competing offer	Monday, January 29, 2018
Latest date by which SEBI's observations will be received	Monday, February 05, 2018
Identified Date*	Wednesday, February 07, 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, February 15, 2018
Last Date for revising the Offer Price/number of shares	Friday, February 16, 2018
Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	Wednesday, February 21, 2018
Date of Public Announcement for Opening the Offer	Thursday, February 22, 2018
Date of Commencement of the Tendering Period (Offer Opening Date)	Friday, February 23, 2018
Date of Closing of the Tendering Period (Offer Closing Date)	Friday, March 09, 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 to Demat Account	Friday, March 23, 2018

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

RISK FACTORS:

Given below are the risks related to the proposed Offer and those associated with the Acquirers:

Relating to the Proposed Offer:

- 1) As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirers, there are no other statutory approvals required by the Acquirers except the approval from Reserve Bank of India, ("RBI"). The Target Company being a Non-Banking Finance Company ("NBFC"), registered with the Reserve Bank of India ("RBI"), any change in stake of a NBFC beyond specified limits requires prior approval of RBI in terms of RBI Circular No. DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015. The Target Company is in the process of filing an Application to RBI in this regard.

In case any other approvals are required by the Acquirers prior to the completion of the Offer, and for the completion of the underlying transaction pursuant to the Share Purchase Agreement, this Offer shall also be subject to such other approvals and the Acquirers and/ or the Target Company (as applicable) shall make the necessary applications for such other Approvals.

- 2) In case of delay in receipt of any statutory approvals mentioned above or which may be required by the Acquirers at a later date, as per Regulation 18(11) of SEBI (SAST) Regulations, 2011. SEBI may, if satisfied, that the delay in receipt of the requisite Statutory Approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the Public Shareholders for such delay at such terms and conditions as may be specified by SEBI.
- 3) Where the statutory approvals extend to some but not all of the Public Shareholders, the Acquirer and PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 4) In case of over-subscription in the Offer, as per SEBI (SAST) Regulations, 2011 acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the Shareholders in the Offer will be accepted.
- 5) 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 this Offer and despatch of consideration are delayed.

Relating to the Acquirers:

- 1) The Acquirers makes 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 Public Announcement ('PA')/Detailed Public Statement ('DPS')/Draft Letter of Offer ('DLoF')/Letter of Offer ('LoF') 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.

The Risk Factors set forth above pertain to the Offer and does not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer.

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1. ABBREVIATIONS/DEFINITIONS

Acquirers	Mr. Mahendra Gulabdas Patel ('Acquirer 1'), Mr. Munjal Mahendra Patel ('Acquirer 2') and Mrs. Shweta Samir Shah ('Acquirer 3') (hereinafter collectively referred to as " Acquirers ")
BSE	BSE Limited, Mumbai
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956 and Companies Act, 2013
CP	Conditions Precedent
DP	Depository Participant
DPS/Detailed Public Statement	Detailed Public Statement relating to the Offer published on January 05, 2018 (Friday)
DLoF/Draft Letter of Offer	This Draft Letter of Offer dated January 11, 2018
Eligible Persons for the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at any time before the Closure of the Offer (<i>except the Acquirers and the Promoters/Sellers</i>)
Equity Share Capital	Paid-up Equity Share Capital of ₹10,00,00,000 comprising of 10,00,000 Equity Shares of ₹10 each
Equity Shares	Fully paid-up Equity Shares of the Target Company of the Face Value of ₹10 (Rupees Ten only) each
Escrow Account	Shall have the meaning given to it in paragraph 6.2.2 of this Letter of Offer
Escrow Amount	Shall have the meaning given to it in paragraph 6.2.2 of this Letter of Offer
Escrow Bank	IndusInd Bank Limited
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FIIs	Foreign Institutional Investors registered with SEBI
Identified Date	February 07, 2018 (Wednesday) i.e. date falling on the tenth (10 th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Public Shareholders to whom this Letter of Offer shall be sent
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
Manager/Manager to the Offer	Mark Corporate Advisors Private Limited
MICR	Magnetic Ink Character Recognition
NA/N.A.	Not Applicable
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target Company
NRI	Non-Resident Indian
OCBs	Overseas Corporate Bodies
Offer period	Period from the date of entering into an agreement, to acquire Equity Shares, Voting Rights in, or control over a Target Company requiring a Public Announcement, or the date of Public Announcement, and the date on which the payment of consideration to Shareholders who have accepted the Open Offer is made, or the date on which the Open Offer is withdrawn
Offer/Open Offer	The Open Offer is made by the Acquirers to the Public Shareholders to acquire upto 2,60,000 Equity Shares, representing 26% of the Equity Share Capital of the Target Company
Offer Price	₹51.50 (Rupees Fifty One and Paise Fifty only) per Equity Share
Offer Size	Upto 2,60,000 Equity Shares representing 26% of Equity Share Capital of the Target Company at a price of ₹51.50 (Rupees Fifty One and Paise Fifty only) per Equity Share, aggregating to ₹1,33,90,000 (Rupees One Crore Thirty Three Lacs and Ninety Thousand only)
PA/Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirers on December 30, 2017 (Saturday)

Promoter	Promoter of Kapashi Commercial Limited as per Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) 2015
Public Shareholder(s)	The Equity Shareholder(s) of the Target Company other than the Acquirers and the Promoters/Sellers of the Target Company
RBI	Reserve Bank of India
Registrar/Registrar to the Offer	Purva Shareregistry (India) Private Limited
RTGS	Real Time Gross Settlement
Sale Shares	7,35,446 Equity Shares of ₹10 each of Kapashi Commercial Limited
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, and subsequent amendments thereof
SEBI (SAST) Regulations, 2011/SEBI (SAST) Regulations/Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
Sellers/Selling Shareholders	Ms. Sejal Indubhai Kapashi, Ms. Bhakti N Kapashi, Mr. Paresh Kapashi, Mr. Indubhai Kapashi, Mr. Sevantibhai Kapashi, Mr. Nimish Kapashi, Mrs. Sushilaben Kapashi, Ms. Nitina Kapashi, Mrs. Nandini Paresh Kapashi, Mr. Paresh Sevantilal Kapashi (HUF), Promoters/Promoter Group of the Target Company
SPA/Agreement	Share Purchase Agreement entered on December 30, 2017
Stock Exchange(s)	BSE Limited
Target Company/KCL	Kapashi Commercial Limited
Tendering Period	Period within which Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e. the period between and including February 23, 2018 (Friday) and March 09, 2018 (Friday)

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 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 KAPASHI COMMERCIAL 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 AND 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, MARK CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 11, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. BACKGROUND OF THE OFFER

3.1.1. This Open Offer is being made by Mr. Mahendra Gulabdas Patel (“Acquirer 1”), Mr. Munjal Mahendra Patel (“Acquirer 2”) and Mrs. Shweta Samir Shah (“Acquirer 3”) (hereinafter collectively referred to as “Acquirers”) to the Equity Shareholders of Kapashi Commercial Limited (hereinafter referred to as “KCL”/“Target Company”) pursuant to and in compliance with regulation 3(1) and 4 of the Regulations to acquire upto 2,60,000 Equity Shares of ₹10 each representing 26% of the Equity Share Capital/Voting Capital of the Target Company (“Offer Size”) at a price of ₹51.50 (Rupees Fifty One and Paise Fifty only) per Equity Share (“Offer Price”), payable in cash, subject to the terms and conditions set out in the PA, DPS, DLoF and LoF that will be sent to the Public Shareholders of the Target Company.

3.1.2. The details of the Transactions which triggered the Open Offer are as under:

- a) The Acquirers have entered into a Share Purchase Agreement (“SPA”) with the existing Promoters/Promoter Group (hereinafter referred to “Selling Shareholders”/“Sellers”) of the Target Company for 7,35,446 Equity Shares representing 73.54% of the Equity Share Capital of the Target Company. The details of the same is as under:

Sr. No.	Name, PAN & Address	Part of Promoter Group (Yes/No)	Details of Shares/Voting Rights held by the Selling Shareholders			
			Pre Transaction		Post Transaction	
			No of shares	% vis a vis total Share Capital	No of Shares	% vis a vis total Share Capital
1)	Ms. Sejal Indubhai Kapashi PAN: AADPK 3606 R Address: 602, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	Yes	46,000	4.60%	Nil	N.A
2)	Ms. Bhakti N Kapashi PAN: AACPD 3378 C	Yes	60,950	6.09%	Nil	N.A

Sr. No.	Name, PAN & Address	Part of Promoter Group (Yes/No)	Details of Shares/Voting Rights held by the Selling Shareholders			
			Pre Transaction		Post Transaction	
			No of shares	% vis a vis total Share Capital	No of Shares	% vis a vis total Share Capital
	Address: 503, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006					
3)	Mr. Paresh Kapashi PAN: AADPK 4862 B Address: 703, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	Yes	1,11,150	11.12%	Nil	N.A
4)	Mr. Indubhai Kapashi PAN: AADPK 3605 N Address: 503, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	Yes	72,494	7.25%	Nil	N.A
5)	Mr. Sevantibhai Kapashi PAN: AADPK 3641 A Address: 703, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	Yes	80,202	8.02%	Nil	N.A
6)	Mr. Nimish Kapashi PAN: AADPK 3624 K Address: 503, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	Yes	1,55,850	15.58%	Nil	N.A.
7)	Mrs. Sushilaben Kapashi PAN: AGPPK 3813 Q Address: 703, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	Yes	32,500	3.25%	Nil	N.A.
8)	Ms. Nitina Kapashi PAN: AAHPK 2617 A Address: 503, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	Yes	43,500	4.35%	Nil	N.A.
9)	Mrs. Nandini Paresh Kapashi PAN: AAHPK 2616 B Address:	Yes	1,09,200	10.92%	Nil	N.A.

Sr. No.	Name, PAN & Address	Part of Promoter Group (Yes/No)	Details of Shares/Voting Rights held by the Selling Shareholders			
			Pre Transaction		Post Transaction	
			No of shares	% vis a vis total Share Capital	No of Shares	% vis a vis total Share Capital
	703, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006					
10)	Mr. Paresh Sevantilal Kapashi (HUF) PAN: AAAHP 2453 G Address: 703, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	Yes	23,600	2.36%	Nil	N.A.
	TOTAL		7,35,446	73.54%	Nil	N.A

3.1.3. The Sellers 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 regulation made under the SEBI Act, 1992.

3.1.4. The Salient features of the Share Purchase Agreement ('SPA') are as under:

- (i.) The Acquirers shall acquire 7,35,446 Equity Shares representing 73.54% of the subscribed Equity Share Capital/Voting Capital of the Target Company from the Sellers.
- (ii.) The Purchase Price for the Sale Shares shall be ₹45 (Rupees Forty Five Only) per fully paid-up Equity Share and the total consideration amount shall be ₹3,30,95,070 (Rupees Three Crores Thirty Lacs Ninety Five Thousand and Seventy only).
- (iii.) The Acquirers, shall pay consideration amount for the Sale Shares bought under this SPA to the Sellers as per following schedule:
 - (a.) The acquirer has paid an amount of 90% of The Purchase Price Consideration as on date of signing this SPA.
 - (b.) Balance amounting to ₹33,09,507 (Rupees Thirty Three Las Nine Thousand Five Hundred and Seven Only) will be payable on successful completion of the Open Offer as required under the Regulations.
- (iv.) The Purchase Consideration has been fixed on the basis of the assets and liabilities disclosed in the audited annual accounts of the Company for the financial year ended on March 31, 2017 and the certified accounts for the period up to September 30, 2017.

(v.) Conditions of Agreement:

a) Conditions Precedent

i. Acquirers' Conditions Precedent

1. The obligation of the Acquirers to effect and complete a Closing shall be expressly conditional upon the satisfaction (or, where not so prohibited under applicable law, waiver by Acquirers) of the following conditions precedent by the relevant Party within a period of 90 (Ninety) days of the date of this Agreement or such other later date as mutually agreed between Parties ("Long Stop Date"):
2. The representations and warranties made by the Company and each Seller (as to itself) shall be, with respect to those representations and warranties qualified by any materiality standard, true and correct in all respects at and as of the Closing Date.

3. The Company/Acquirers obtain Reserve Bank of India approval as per Master Circular No. 061/03.10.119/2015-16 dated July 01, 2015, as amended up to August 04, 2015 and amendments thereof.

ii. Sellers' Conditions Precedent

The Closing by the Sellers shall be conditional upon the completion (or, where not so prohibited under Applicable Law, waiver by the Sellers) of the following conditions precedent by the Acquirers (the "Sellers' Conditions Precedent")

1. The representations and warranties of the Acquirers set forth herein shall be, true and correct in all material respects at and as of the Closing Date, to the extent such representations and warranties expressly relate to an earlier date or time (in which case such representation and warranty shall be true and correct in all respects, or in all material respects, as appropriate, on and as of such earlier date);
2. Acquirers shall have obtained all governmental, regulatory or approvals, authorization's or permits as may be required under Applicable Law, for consummating the transactions contemplated under this Agreement;
3. All orders, consents, waivers, no-objections, permits, approvals, authorization's or compliances necessary to permit the Acquirers to perform their respective obligations under this Agreement and to consummate the transactions contemplated hereby and to permit the Acquirers to acquire the Sale Shares free and clear of all encumbrances pursuant to this Agreement shall have been obtained and shall be in full force and effect;

b) Compliance with Takeover Regulations

- (i.) The Sale and Purchase of the Sale Shares shall be subject to the compliance with the provisions of the Takeover Regulations.
- (ii.) The Sellers shall cause the Company to comply with the provisions of the Takeover Regulations.
- (iii.) In case of non-compliance with any of the provisions of the Takeover Regulations by either of the parties, this agreement for sale of the Sale Shares shall not be acted upon by either Sellers or the Acquirers.
- (iv.) The Acquirers undertake that if the public shareholding in the Company fall below the limit specified in Listing Agreement with Stock Exchange for the purpose of listing on continuous basis, pursuant to the Agreements and Open Offer, the Acquirers will maintain the minimum specified public shareholding in the Company.

3.1.5. The Proposed change in control of the Target Company is not through any Scheme of Arrangement.

3.1.6. The Acquirers reserves the right to nominate someone representing them to be a Director on the Board of the Target Company during the Offer Period in accordance with the Regulations by depositing 100% of the Maximum Consideration payable under the Offer in the Cash Escrow Account as required under Regulation 24(1) of the SEBI (SAST) Regulations, subject to the receipt of approval from RBI and subject to the terms and conditions of the SPA.

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

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 Eligible Shareholders. Such recommendation shall be published at least two (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.

3.1.9.No other persons/individuals/entities are acting in concert with the Acquirers for the purpose of this Offer in terms of Regulation 2 (1) (q) 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 read with Regulation 13, 14 and 15 of the Regulations was made on December 30, 2017 (Saturday) and was sent to BSE Ltd, Mumbai ('BSE'), and to the Target Company on December 30, 2017 and was filed with SEBI, Mumbai on January 01, 2018 (Monday).

3.2.2.In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, the DPS was published on January 05, 2018 (Friday) in the following newspapers:

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

The Public Announcement and Detailed Public Statement are also available on the website of SEBI at www.sebi.gov.in.

3.2.3.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.

3.2.4.This Offer is made by the Acquirers to all Eligible Shareholders, to acquire up to 2,60,000 Equity Shares representing 26% of the Equity Share Capital/Voting Capital, at a price of ₹51.50 (Rupees Fifty One and Paise Fifty only) per Equity Share, to be paid in cash, in accordance with Regulation 9(1)(a) of the Regulations and subject to the terms and conditions set out in the PA, the DPS and the LoF.

3.2.5.There is no differential pricing for the Offer.

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 of the date of this Letter of Offer

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 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 2,60,000 Equity Shares representing 26% of the Equity Share Capital/Voting Capital of the Target Company.

3.2.8.The Acquirers did not acquire any shares of the Target Company after the date of PA i.e. December 30, 2017 (Saturday) up to the date of this LoF.

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 two (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. As on date, the Manager to the Offer, Mark Corporate Advisors Private Limited does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.

3.2.11. The Equity Shares of the Target Company acquired by the Acquirers shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.2.12. As per Regulation 38 of SEBI (LODR) Regulations read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ('SCRR'), the Target Company is required to maintain at least 25% Public Shareholding, on continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance, the Public Shareholding in the Target Company will fall below the minimum public

shareholding requirement as per SCRR as amended and the Listing Agreement. However, the Acquirers undertake to take necessary steps to facilitate Compliances of the Target Company with the relevant provisions of the Listing agreement within the time period mentioned therein.

3.3. OBJECT OF THE OFFER

3.3.1.This Offer is being made to the public shareholders of Target Company pursuant to and in compliance with regulation 3(1) and 4 of the Regulations.

3.3.2.The object of acquisition is to acquire substantial shares/voting rights accompanied by control over the Target Company. At present, the Acquirers do not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirers intend to expand the existing business of the Target Company and may also diversify into other areas with the prior approval of the Shareholders. The Acquirers may reorganize the present Capital Structure of the Company and also further strengthen the Board.

3.3.3.The Acquirers do not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of regulation 25(2) of the Regulations.

4. BACKGROUND OF THE ACQUIRERS

4.1. Information about Mr. Mahendra Gulabdas Patel (hereinafter referred to as “Acquirer 1”)

4.1.1.Acquirer 1, S/o Mr. Gulabdas Iswarlal Patel, aged about 64 years, is currently residing at 37, Sarathi Bungalow, Part-III, Nr. Surdhara Circle, Drive-In Road, Thaltej, Ahmedabad-380 054, Tel. No.: +91 079 6777 8002, E-Mail ID: mgp@lincolnpharma.com. He has done his Bachelor of Arts and Bachelor of Laws from Gujarat University. His Permanent Account Number (PAN) under Indian Income Tax Act is ABIPP 9463 H. He has around 35 years of experience in pharmaceuticals business.

4.1.2.Acquirer 1 is not part of any group.

4.1.3.As on date, Acquirer 1 does not hold any Equity share in the Target Company.

4.1.4.Acquirer 1 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11 B of the SEBI Act or any other regulations made under the SEBI Act.

4.1.5.The Net Worth of Acquirer 1 is ₹912.59 Lacs (Rupees Nine Hundred and Twelve Lacs and Fifty Nine Thousand only) as on December 26, 2017 as certified vide certificate dated December 27, 2017 issued by Kishore P Sompura (Membership No. 45155), Proprietor of M/s K P Sompura & Co., Chartered Accountants (FRN: 131641W) having Offices at H-111, 1st Floor, Titanium City Centre, 100 feet Anand Nagar Road, Sattellite, Nr Sachine Tower, Ahmedabad-380 015, Tel No.: +91 79 4006 2332 and 2, “SHIVAM”, Shayonaprasad Bungalow, Shayona City, R. C. Technical Road, Ghatlodia, Ahmedabad-380 061, Tel. No.: +91 79 2766 3411, E-mail ID: sompurakp@yahoo.com/sompurakp@hotmail.com.

4.1.6.The entities promoted/controlled/managed by Acquirer 1 is as under:

Sr. No.	Name of the Entities	Designation	% of total Equity Shares held/ Share of Partnership
1)	Lincoln Pharmaceuticals Limited	Managing Director	1.38%
2)	Downtown Finance Private Limited	Director	9.05%
3)	Downtown Travels LLP	Designated Partner	20.00%
4)	Zullinc Healthcare LLP	Designated Partner	Negligible
5)	Shree Corporation	Partner	40.00%

4.2. Information about Mr. Munjal Mahendra Patel (hereinafter referred to as “Acquirer 2”)

4.2.1.Acquirer 2, S/o Mr. Mahendra Gulabdas Patel, aged about 35 years, is presently residing at 37, Sarathi Bungalow, Part-III, Nr. Surdhara Circle, Drive-In Road, Thaltej, Ahmedabad-380 054 Tel. No.: +91 079 6777 8004, E-Mail ID:. munjal@lincolnpharma.com. He has done Bachelor in Business Administration and Diploma in Investment and Financial Analysis from Gujarat University. His Permanent Account Number (PAN) under Indian Income Tax Act is AFXPP 7705 F. He has around 10 years of experience in pharmaceuticals business.

4.2.2.Acquirer 2 is not part of any group.

4.2.3.As on date, Acquirer 2 does not hold any Equity share in the Target Company.

4.2.4.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.

4.2.5.The Net Worth of Acquirer 2 is ₹743.19 Lacs (Rupees Seven Hundred and Forty Three Lacs and Nineteen Thousand only) as on December 26, 2017 as certified vide certificate dated December 27, 2017 issued by Kishore P Sompura (Membership No. 45155), Proprietor of M/s K P Sompura & Co., Chartered Accountants (FRN: 131641W) having Offices at H-111, 1st Floor, Titanium City Centre, 100 feet Anand Nagar Road, Sattellite, Nr Sachine Tower, Ahmedabad-380 015, Tel No.: +91 79 4006 2332 and 2, “SHIVAM”, Shayonaprasad Bungalow, Shayona City, R. C. Technical Road, Ghatlodia, Ahmedabad-380 061, Tel. No.: +91 79 2766 3411, E-mail ID: sompurakp@yahoo.com/ sompurakp@hotmail.com.

4.2.6.The entities promoted/controlled/managed by Acquirer 2 is as under:

Sr. No.	Name of the Entities	Designation	% of total Equity Shares held/ Share of Partnership
1)	Lincoln Pharmaceuticals Limited	Whole-Time Director	2.95%
2)	Downtown Finance Private Limited	Director	10.08%
3)	Karnavati Distributors Limited	Director	0.00%
4)	Zullinc Healthcare LLP	Nominee-Body Corp. Partner	0.00%
5)	Downtown Travels LLP	Designated Partner	40.00%
6)	Summed Corporation LLP	Designated Partner	38.00%
7)	Shree Corporation	Partner	40.00%

4.3. Information about Mrs. Shweta Samir Shah (hereinafter referred to as “Acquirer 3”)

4.3.1.Acquirer 3, W/o Mr. Samir Shah, aged about 49 years, is presently residing at 2, Suyog Bungalow, Vejalpur, Ahmedabad-380 051, Tel. No.:+91 99250 06929, E-Mail ID:. Shweta_shah171969@yahoo.com. She has done Bachelor in Commerce from Gujarat University. Her Permanent Account Number (PAN) under Indian Income Tax Act is AQFPS 5288 K. She has around 5 years of experience in trading and investment in capital market.

4.3.2.Acquirer 3 is not part of any group.

4.3.3.As on date, Acquirer 3 does not hold any Equity share in the Target Company.

4.3.4.Acquirer 3 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.

4.3.5.The Net Worth of Acquirer 3 is ₹188.69 (Rupees One Hundred and Eighty Eight Lacs and Sixty Nine Thousand only) as on December 26, 2017 as certified vide certificate dated December 26, 2017 issued by Ashit N Shah (Membership No. 036857) Proprietor of Ashit N. Shah & Co. Chartered Accountants (FRN: 100624W) having office at 1, Shantinath Apartment, Shantisadan Society, B/H. Doctor House, Ellisbridge, Ahmedabad-380 006, Tel. No.: +91 79 2640 3811, E-mail ID: ashitnshah@hotmail.com.

4.3.6.The entities promoted/controlled/managed by Acquirer 3 is as under:

Sr. No.	Name of the Entities	Designation	% of total Equity Shares held/ Share of Partnership
1)	Felix Industries Limited	Director	0.03%

- 4.4. Acquirer 1 is Father of Acquirer 2 and Acquirer 3 is a friend Acquirer 1.
- 4.5. The relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to the Acquirers with respect to the Target Company since the Acquirers have not directly/indirectly acquired or sold any Equity Shares before the date of Public Announcement. However, the Acquirers have entered into a Share Purchase Agreement ('SPA') on December 30, 2017 with the Promoters/Promoter Group of the Target Company pursuant to which, the Acquirers have agreed to acquire 7,35,446 Equity Shares representing 73.54% of the Equity Share Capital/Voting Capital of the Target Company.
- 4.6. The Acquirers will be the Promoters of the Company, after completing all the Open Offer formalities pursuant to the Regulations.
- 4.7. The Acquirers have not acquired any Equity Share of the Target Company during the twelve (12) months period prior to the PA.
- 4.8. Neither the Acquirers nor any of the Company, with which the Acquirers are associated, are in Securities related business and registered with SEBI as a Market Intermediary.
- 4.9. There is an informal arrangement between the Acquirers with regard to the acquisition of Shares through Open Offer.
- 4.10. The entities promoted or controlled by the Acquirers as mentioned in point no. 4.1.6, 4.2.6 and 4.3.6 above are neither holding any Equity Share nor participating or acting in Concert with the Open Offer.
- 4.11. As on date, the Acquirers do not have any interest in the Target Company. Further, there are no Directors representing the Acquirers on the Board of the Target Company.

5. BACKGROUND OF THE TARGET COMPANY-KAPASHI COMMERCIAL LIMITED

- 5.1 The Target Company, bearing CIN L51900MH1985PLC037452 was incorporated on September 11, 1985 in the name of 'Kapashi Commercial Limited' in the State of Maharashtra pursuant to the provisions of the Companies Act, 1956. There has been no change in the name of the Company during the last three years.
- 5.2 The Registered Office of the Target Company is situated at Nishuvi, 4th Floor, 75, Dr. Annie Besant Road, Worli, Mumbai-400 018.
- 5.3 The Target Company is Non-Banking Financial Public Limited Company registered with the Reserve Bank of India ("RBI") as a non-deposit accepting NBFC with a registration number 13.01180.
- 5.4 The Authorized Share Capital of the Target Company is ₹1,00,00,000 comprising 10,00,000 Equity shares of ₹10 each. The Paid-Up Equity Share Capital of the Target Company is ₹1,00,00,000 comprising of 10,00,000 Equity Shares of ₹10 each fully paid up.
- 5.5 The Equity Shares of the Target Company are listed on BSE Limited, Mumbai ('BSE') having a scrip code as 512399. The Equity Shares of the Target Company are infrequently traded within the meaning of explanation provided in Regulation 2(j) of the Regulations. The ISIN of the Target Company is INE017I01019.
- 5.6 As on date, the Target Company is fully compliant with the listing requirements and there has not been any non-listing of Equity Shares on any of the Stock Exchanges.

5.7 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
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Paid-up Shares	No. of Equity Shares/ Voting Rights	% of Equity Shares/ Voting Rights
Fully Paid-up Equity Shares	10,00,000	100.00
Partly Paid-up Equity Shares	Nil	N.A.
Total Paid-up Equity Shares	10,00,000	100.00

5.8 As of the date of this Letter of Offer, there are no: (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company. Further, there is no differential pricing for the Offer. There has been no merger/de-merger or spin off in the Target Company during the past three years.

5.9 Details of the Board of Directors of the Target Company:

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

Sr. No.	Name of Director, DIN, PAN & Designation	Address	Date of Appointment	Experience in years & field	No. of Shares held in Company
1)	Mr. Sevantilal S Kapashi <i>DIN:</i> 00008435 <i>PAN:</i> AADPK 3641 A <i>Designation:</i> Chairman & Whole Time Director	703, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	February 01, 2010	52 Years of Experience in the field of Steel, Construction, Investments, etc	80,202
2)	Mr. Indukumar S Kapashi <i>DIN:</i> 00008413 <i>PAN:</i> AADPK 3605 N <i>Designation:</i> Whole Time Director	503, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	November 01, 2007	51 Years of Experience in the field of Steel, Construction, Investments, etc	72,494
3)	Mr. Paresh S. Kapashi <i>DIN:</i> 00008486 <i>PAN:</i> AADPK 4862 B <i>Designation:</i> Director	703, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	June 11, 1993	31 Years of Experience in the field of Steel, Construction, Investments, etc	1,34,750
4)	Mr. Nimish I. Kapashi <i>DIN:</i> 00073665 <i>PAN:</i> AADPK 3624 K <i>Designation:</i> Director	503, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	June 11, 1993	26 Years of Management & Commercial Activities	1,55,850
5)	Mr. Mahasukh P. Shah <i>DIN:</i> 00073676 <i>PAN:</i> ABDPS 8835 R	17, Sharda, A Road, Churchgate, Mumbai-400 020	November 28, 2000	51 Years of Experience in Management, Commercial, HRD, Factory Operations,	Nil

Sr. No.	Name of Director, DIN, PAN & Designation	Address	Date of Appointment	Experience in years & field	No. of Shares held in Company
	<i>Designation:</i> Independent Director			etc.	
6)	Mrs. Varsha P. Dalal <i>DIN:</i> 00176879 <i>PAN:</i> AACPD 5375 P <i>Designation:</i> Independent Director	901, Pleasant Palace, 16, Narayan Dabholkar Road, Off. Nepean Sea Road, Mumbai-400 006	September 24, 2014	37 Years of Experience in Marketing	Nil

5.10 The key financial information of the Target Company based on the Audited Financial Statements for the Financial Year ended March 31, 2017, March 31, 2016 and March 31, 2015 and Certified Un-Audited Financials for the period ended September 30, 2017, are as follows:

Profit & Loss Statement:

Particulars	Period ended September 30, 2017	FY 2016-17	FY 2015-16	FY 2014-15
	(Unaudited)	(Audited)	(Audited)	(Audited)
Income from Operations	24.49	77.03	69.57	70.01
(+) Other Income	-	-	-	-
Total Income	24.49	77.03	69.57	70.01
Total Expenditure	12.46	18.01	18.62	11.83
Profit before Depreciation, Interest and Tax	12.03	59.02	50.96	58.18
(-) Depreciation	-	-	-	-
(-) Interest and Financial Charges	Nil	Nil	Nil	Nil
Exceptional Items	-	-	-	-
Profit before Tax	12.03	59.02	50.96	58.18
Tax Expenses	3.00	20.00	17.00	19.00
Profit after Tax	9.03	39.02	33.96	39.18
Appropriations				
Income Tax Adjustments earlier years	-	-	-	-
Profit & Loss Transfer for Goodwill/Capital Reserve	-	-	-	-
Profit/ (loss) for the year	9.03	39.02	33.96	39.18

Balance Sheet Statement:

Particulars	As on September 30, 2017	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015
	(Unaudited)	(Audited)	(Audited)	(Audited)
Sources of Funds				
Paid up Equity Share Capital	100.00	100.00	100.00	100.00
Reserves & Surplus (<i>Excluding Revaluation Reserve</i>)	393.93	383.42	344.40	310.44
(-) Miscellaneous Expenditure	-	-	-	-
Net Worth	493.93	483.42	444.40	410.44
Current Liabilities	12.90	10.52	5.09	14.37
Total	506.83	493.94	449.49	424.82
Uses of Funds	-	-	-	-
Non-current Assets				
Net Fixed Assets	-	-	-	-
Non-current Investments	6.01	6.01	9.50	-
Deferred Tax Assets (Net)	-	-	-	-

Other Non-Current Assets	-	-	-	-
Long-term loans and advances	470.05	402.95	371.55	366.64
Current assets	30.77	84.99	68.44	58.18
Total	506.83	493.94	449.49	424.82

Other Financial Data:

(₹ in Lacs, except EPS)

Particulars	Period ended September 30, 2017	FY 2016-17	FY 2015-16	FY 2014-15
Dividend (%)	Nil	Nil	Nil	Nil
Total Revenue	24.49	77.03	69.57	70.01
Net Profit/Loss	9.03	39.02	33.96	39.18
Paid up capital	100.00	100.00	100.00	100.00
Face Value	10	10	10	10
Earnings Per Share (Basic)	0.90	3.90	3.40	3.92
Earnings Per Share (Diluted)	0.90	3.90	3.40	3.92
Net Worth	493.93	483.42	444.40	410.44
RoNW (%)	1.83%	8.07%	7.64%	9.55%
Book Value	4.94	4.83	8.89	20.52

5.11 Pre and Post-Offer Shareholding Pattern of the Target Company as on date of LoF are as follows:

Shareholders' Category	Equity Share Capital/Voting Capital prior to SPA and Offer		Equity Share Capital/Voting Rights agreed to be acquired which triggered off the Regulations		Equity Share Capital/Voting Rights to be acquired in open offer (Assuming full acceptances)		Equity Share Capital/ Voting Rights After SPA and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%*	No.	%*	No.	%*	No.	%*
1) Promoter/ Promoter Group								
a) Parties to the Agreement:								
i.) Ms. Sejal Indubhai Kapashi	46,000	4.60	(46,000)	(4.60)	Nil	Nil	Nil	Nil
ii.) Ms. Bhakti N Kapashi	60,950	6.09	(60,950)	(6.09)	Nil	Nil	Nil	Nil
iii.) Mr. Paresh Kapashi	1,11,150	11.12	(1,11,150)	(11.12)	Nil	Nil	Nil	Nil
iv.) Mr. Indubhai Kapashi	72,494	7.25	(72,494)	(7.25)	Nil	Nil	Nil	Nil
v.) Mr. Sevantibhai Kapashi	80,202	8.02	(80,202)	(8.02)	Nil	Nil	Nil	Nil
vi.) Mr. Nimish Kapashi	1,55,850	15.58	(1,55,850)	(15.58)	Nil	Nil	Nil	Nil
vii.) Mrs. Sushilaben Kapashi	32,500	3.25	(32,500)	(3.25)	Nil	Nil	Nil	Nil
viii.) Mrs. Nitina Kapashi	43,500	4.35	(43,500)	(4.35)	Nil	Nil	Nil	Nil
ix.) Mrs. Nandini Paresh Kapashi	1,09,200	10.92	(1,09,200)	(10.92)	Nil	Nil	Nil	Nil
x.) Mr. Paresh Sevantilal Kapashi (HUF)	23,600	2.36	(23,600)	(2.36)	Nil	Nil	Nil	Nil
b) Promoters other than (a) above	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Total 1 (a+b)	7,35,446	73.54	(7,35,446)	(73.54)	Nil	Nil	Nil	Nil
2) Acquirers:								
a) Acquirer 1	Nil	N.A.	1,48,494	14.85	2,60,000	26.00	9,95,446	99.54
b) Acquirer 2	Nil	N.A.	2,97,002	29.70				
c) Acquirer 3	Nil	N.A.	2,89,950	28.99				
Total 2 (a)								
3) Parties to agreement other than 1(a) & 2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4) Public (other than parties to agreement and Acquirers)								
a) FIs/MFs/FILs/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Others								

Shareholders' Category	Equity Share Capital/Voting Capital prior to SPA and Offer		Equity Share Capital/Voting Rights agreed to be acquired which triggered off the Regulations		Equity Share Capital/Voting Rights to be acquired in open offer (Assuming full acceptances)		Equity Share Capital/ Voting Rights After SPA and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%*	No.	%*	No.	%*	No.	%*
Total 4 (a+b)	2,64,554	26.46	Nil	Nil	(2,60,000)	(26.00)	4,554	0.46
GRAND TOTAL (1+2+3+4)	10,00,000	100.00	Nil	Nil	Nil	Nil	10,00,000	100.00

* The above percentages are calculated on the basis of Voting Capital.

Note: Total Number of Public Shareholders as on Identified Date is 2582.

5.12 Details of the Compliance Officer:

Name : Ms. Pooja Paresh Bagwe
Registered Office : Nishuvi, 4th Floor, 75, Dr. Annie Besant Road, Worli, Mumbai-400 018
Tele. No. : +91 22 4300 5100/2495 4236
E-Mail ID : admin@kcltd.co.in

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 on BSE Ltd, Mumbai ("BSE") having a scrip code as 512399. The Equity Shares of the Target Company are presently traded on BSE only. The Equity Shares of the Target Company is infrequently traded on BSE during the twelve (12) calendar months preceding the month in which PA was made as set out under Regulation 2(1) (j) of the Regulations.

6.1.2 The annualized trading turnover of the Equity Shares of the Target Company during Twelve (12) calendar months preceding the month of PA (December 2016 to November 2017) on the Stock Exchange on which the Equity Shares of the Target Company are traded is 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 Ltd	61,600	10,00,000	6.16%

(Source: www.bseindia.com)

6.1.3 The Offer Price of ₹51.50 (Rupees Fifty One and Paise Fifty only) is justified in terms of Regulation 8(2) & 8(16) of the SEBI (SAST) Regulations on the basis of the following:

Sr. No.	Particulars	Amount (In. ₹)
a)	Negotiated Price as per SPA	: 45.00
b)	The volume-weighted average price paid or payable for acquisition whether by the Acquirers, during 52 weeks preceding the date of PA	: Not Applicable
c)	The highest price paid or payable for any acquisition, whether by the Acquirers, during 26 weeks preceding the date of the PA	: Not Applicable
d)	The volume-weighted average market price of Equity shares of the Target Company for a period of sixty (60) trading days immediately preceding the date of PA as traded on BSE, being the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, the Equity Shares being infrequently traded	: Not Applicable
e)	The price determined by the Acquirers and the Manager to the Offer taking into account Valuation Parameters per Equity Share including Book Value, Comparable Trading Multiples and such other parameters as are customary for Valuation of Equity Shares, since the Equity Shares are infrequently traded	: ₹51.38*

Sr. No.	Particulars	Amount (In. ₹)
f)	Other Financial Parameters as at:	September 30, 2017 (Certified/Un-Audited)
	(i.) Return on Net Worth (%)	1.83%
	(ii.) Book Value Per Share (₹)	4.94
	(iii.) Earnings Per Share (₹)	0.90

Note: The Trading data has been taken from the website of BSE i.e. www.bseindia.com.

* The Fair Value of the Target Company is ₹51.38 (Rupees Fifty One and Thirty Eight Paise only) per share as certified vide Valuation Report dated December 27, 2017 issued by Mr. Padam Jain (Membership No. 071026), Partner of M/s PKJ & Co., Chartered Accountants (FRN: 124115W) having office at Office No. 002, Gulmohar Complex, Opp. Anupam Cinema, Station Road, Goregaon (East), Mumbai-400 063, Tel. No.: +91 22 2686 5205, E-Mail ID: padam.jain@pkjca.com

The above Price has been determined taking into account the methodology adopted under Hindustan Lever Employees Union v/s Hindustan Lever Ltd case.

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 ₹51.50 (Rupees Fifty One and Paise Fifty only) per Equity Share is justified in terms of Regulation 8(2) & 8(16) of the 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 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 Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.

6.1.8 As on date, there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirers are permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the Tendering Period in accordance with Regulation 18(4) of the Regulations. If there is any such upward revision in the Offer Price by the Acquirers or in the case of withdrawal of Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers for all the shares validly tendered in the Offer.

6.1.9 In the event that the number of Equity Shares validly tendered by the Public Shareholders of the Target Company under the Offer is higher than the Offer Size, the Equity Shares received from the public shareholders shall be accepted on a proportionate basis, in consultation with the Manager to the Offer.

6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS

6.2.1 The total funds required for the implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 2,60,000 fully paid up Equity Shares of Face Value ₹10 each at a price of ₹51.50 (Rupees Fifty One and Paise Fifty only) per Equity Share is ₹1,33,90,000 (Rupees One Crore Thirty Three Lacs and Ninety Thousand only) (**“Maximum Consideration”**).

6.2.2 In accordance with Regulation 17(4) of Regulations, the Acquirers have opened a Cash Escrow Account under the name and style of “KCL-OPEN OFFER-CASH ESCROW ACCOUNT” (**“Escrow Account”**)

with IndusInd Bank Limited (**‘Escrow Banker’**) bearing account number 251109198500 and deposited an amount of ₹40.00 Lacs (Rupees Forty Lacs only), in cash, being more than 25% of the Maximum Consideration on January 02, 2018. The Acquirers have authorized the Manager to the Offer to operate and realize the value of the Escrow Account in terms of the Regulations. The cash deposit in the Escrow Account has been confirmed by the Escrow Banker vide the Certificate dated January 04, 2018.

6.2.3 The Acquirers have empowered the Manager to the Offer i.e. Mark Corporate Advisors Private Limited to operate and to realize the value of the Escrow Account in terms of the Regulations.

6.2.4 The Acquirers have adequate financial resources and have made firm financial arrangements for implementation of the Open Offer. No funds are borrowed from banks or financial institutions for the purpose of this Offer by the Acquirers. Mr. Kishor P Sompura (Membership No. 45155) Proprietor of M/s K P Sompura & Company, Chartered Accountants (FRN: 131641W) having Offices at H-111, 1st Floor, Titanium City Centre, 100 feet Anand Nagar Road, Sattellite, Nr Sachine Tower, Ahmedabad-380 015, Tel No.: +91 79 4006 2332 and 2, “SHIVAM”, Shayonaprasad Bunglow, Shayona City, R. C. Technical Road, Ghatlodia, Ahmedabad-380 061, Tel. No.: +91 79 2766 3411, E-mail ID: sompurakp@yahoo.com/sompurakp@hotmail.com, vide certificate dated December 30, 2017 has certified that sufficient resources are available with the Acquirers for fulfilling the obligations under this ‘Offer’ in full.

6.2.5 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers and to implement the offer in accordance with the Regulations. Further, the Manager to the Offer confirms that the funds/money are in place to fulfil the Open Offer obligations.

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 (i) all the Equity Shareholders, whose names appear in the register of members of the Target Company as on the Identified Date i.e., February 07, 2018 (Wednesday); (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 07, 2018 (Wednesday); 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 09, 2018 (Friday), 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 Eligible persons can write to the Registrar/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 and 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 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.

7.2 LOCKED-IN SHARES

As on date, the Target Company does not have any Equity Shares under lock-in.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

7.3.1 The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date i.e. February 07, 2018 (Wednesday).

7.3.2 Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

7.3.3 The Public Announcement ('PA'), the Detailed Public Statement ('DPS') and the Letter of Offer ('LoF') 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 Equity Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, 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 Shareholder(s) 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 in this LoF on or before the closure of the Tendering Period i.e. March 09, 2018(Friday).

7.3.6 The Acquirers reserve the right to revise the Offer Price and/or the Offer Size upwards before the last three (3) working days prior to the commencement of the Tendering Period, i.e. up to February 16, 2018 (Friday), in accordance with the 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 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 APPROVALS

7.4.1 As on date, to the best of the knowledge of the Acquirers, there are no Statutory Approvals required by the Acquirers to complete this Offer except the approval from RBI. The Target Company is in the process of filing an Application to RBI in this regard. In case, if any Statutory Approval(s) are required or become applicable at a later date before the closure of the Tendering Period, the Offer shall be subject to the receipt of such Statutory Approval(s). The Acquirers shall make the necessary applications for such Statutory Approvals. In the event of non-receipt of any of such Statutory Approvals which may become applicable for the purchase of the Equity Shares under this Offer, the Acquirers shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23(1) of the Regulations.

In the event of withdrawal of this Offer, for reasons outside the reasonable control of the Acquirers, a Public Announcement will be made within two (2) working days of such withdrawal, in the same

newspapers in which this DPS has been published and copy of such Public Announcement will also be sent to SEBI, Stock Exchange(s) 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 Regulations 18(11) of the 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 Equity 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 Regulations.

7.4.3 The acquisition of the Equity Shares tendered by Non-Resident India ('NRI') and Overseas Corporate Bodies ('OCB') are subject to approval/exemption, if applicable, from Reserve Bank of India ('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 No approval is required from any bank or financial institutions for this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

8.1 The Acquirers have appointed Bigshare Services 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	Mode of Delivery
Purva Shareregistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai-400 011 Tel No.: +91 22 2301 8261/2518 E-Mail ID: busicomp@vsnl.com	Ms. Deepali Dhuri	Hand Delivery / Registered Post / Speed Post / Courier

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

8.4 This Open Offer will be implemented by the Acquirers through Stock Exchange Mechanism made available by BSE Limited, Mumbai ('BSE') in the form of a separate window ('Acquisition Window') as provided under the SEBI (SAST) Regulations, 2011 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 09, 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 Limited, Mumbai ('BSE') shall be the Stock Exchange for the purpose of tendering the Equity shares in the Open Offer.

8.6 The Acquirers have appointed Sparkle Securities Solutions 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 : Sparkle Securities Solutions Private Limited
Address : E-501, Remi Bizcourt, Off Veera Desai Road, Andheri (W),
Mumbai-400 053
Tel No. : +91 22 6759 2033
Contact Person : Ms. Kunjal Anjaria

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 Designated 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 Designated Stock Exchange throughout the trading session at specific intervals by the Stock Exchange during tendering period.

8.11 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 (hereinafter 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 Eligible Persons 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.

8.12 Procedure for tendering Equity Shares held in Physical Form:

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

8.12.2 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.

8.12.3 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.

8.12.4 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.

8.12.5 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.

8.12.6 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 offered, 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.

8.13 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:

An Eligible Person 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 Persons 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.

8.14 Settlement Process

- 8.14.1 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.
- 8.14.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.14.3 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.
- 8.14.4 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.
- 8.14.5 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.
- 8.14.6 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.
- 8.14.7 Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholders directly by Registrar to the Offer.
- 8.14.8 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.

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

8.17 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.

8.18 Settlement of Funds/Payment Consideration

- 8.18.1 The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 8.18.2 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.
- 8.18.3 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.
- 8.18.4 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.
- 8.18.5 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.
- 8.18.6 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 Regulations.

9. 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, Mark Corporate Advisors Private Limited at 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off Western Express Highway, Vile Parle (East), Mumbai-400 057, 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) Certified Un-Audited Financials for the period ended September 30, 2017 and Annual Accounts for the Financial Years ended March 31, 2017, March 31, 2016 and March 31, 2015 of the Target Company.
- 3) Certificates dated December 27, 2017, issued by Mr. Kishor P Sompura (Membership No. 45155) Proprietor of M/s. K P Sompura & Company, Chartered Accountants, (FRN: 131641W) certifying the Net worth of the Acquirer 1 and Acquirer 2 as on December 26, 2017.
- 4) Certificate dated December 26, 2017, issued by Mr. Ashit n Shah (Membership No. 036857) Proprietor of M/s Ashit N Shah & Co, Chartered Accountants, (FRN: 100624W) certifying the Net worth of the Acquirer 3 as on December 26, 2017.
- 5) Certificate dated December 30, 2017, issued by Mr. Kishor P Sompura (Membership No. 45155) Proprietor of M/s. K P Sompura & Company, Chartered Accountants, (FRN: 131641W), certifying that the Acquirers have firm and adequate financial resources to meet the financial obligations under the Open Offer.
- 6) Memorandum of Understanding between Lead Manager i.e. Mark Corporate Advisors Private Limited and the Acquirers.
- 7) Share Purchase Agreement ('SPA') entered between the Acquirers and the Promoters/Sellers on December 30, 2017.
- 8) Letter from IndusInd Bank Limited dated January 04, 2018 confirming the balance of ₹40.00 Lacs in the Cash Escrow Account.
- 9) Due Diligence Certificate dated January 11, 2018 submitted to SEBI by Mark Corporate Advisors Private Limited, 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 Regulations.
- 12) NOC from Reserve Bank of India, Mumbai ("RBI") vide letter no. [•] dated [•]
- 13) Copies of the Public Announcement ('PA') dated December 30, 2017 & a published copy of the Detailed Public Statement ('DPS') which appeared in the newspapers on January 05, 2018 (Friday).
- 14) A copy of the Recommendations to be published on [•] made by the Board of Independent Directors of the Target Company as required in terms of Regulation 26(7) of the Regulations.
- 15) Copy of the Observation Letter no [•] dated [•] issued by SEBI.

10. DECLARATION BY THE ACQUIRERS

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

We, the Acquirers, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this Letter of Offer is in compliance with the 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 Letter of Offer 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 Letter of Offer are the Acquirers:

Acquirer 1
Mahendra Gulabdas Patel

Acquirer 2
Munjal Mahendra Patel*

Acquirer 3
Shweta Samir Shah*

Sd/-

Sd/-

Sd/-

**Signed by duly constituted Power of Attorney holder, Mahendra Gulabdas Patel*

Date : January 11, 2018

Place : Mumbai