DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a Shareholder of Kalindee Rail Nirman (Engineers) Limited. If you require any clarifications about the action to be taken, you may consult your stock broker, investment consultant, the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in Kalindee Rail Nirman (Engineers) Limited, please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and transfer deed to the member of stock exchange through whom the said sale was effected.

Open Offer ("Offer")

BY

Texmaco Rail & Engineering Limited ("Acquirer")

Registered office: Belgharia, Kolkata, West Bengal – 700 056; Tel.: +91 (33) 2569 1500; Fax: +91 (33) 2541 2448

TO ACQUIRE

up to 49,52,280 (forty nine lakh, fifty two thousand, two hundred and eighty) fully paid-up equity shares of face value of Rs. 10 (Rupees Ten) each (each an "**Equity Share**"), constituting 30% (thirty percent) of the fully diluted voting equity share capital as of the 10th (tenth) Working Day (as defined below) from the Closure of the Tendering Period (as defined below), as calculated in paragraphs 2.2.8 and 4.6 of this Draft Letter of Offer ("**Fully Diluted Shares**").

OF

Kalindee Rail Nirman (Engineers) Limited ("Target Company")

Registered office: F-5, Gautam Nagar, Gulmohar Park Road, New Delhi - 110049; Tel.: +91 (11) 2685 7375; Fax: +91 (11) 2685 1279

AT A PRICE OF

Rs. 68.00 (Rupees sixty eight) per Equity Share ("Offer Price") payable in cash

pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**")

Note:

1. This Offer is being made by the Acquirer pursuant to regulations 3(1), 4 and 20 of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of the SEBI (SAST) Regulations.
3. To the best of the knowledge of the Acquirer other than an approval of the Reserve Bank of India, if any, for the acquisition of the Equity Shares from the non resident shareholders of the Target Company, no statutory approvals are required by the Acquirer to complete this Offer. However, in case of any statutory approvals being required by the Acquirer at a later date, before the closure of the Tendering Period, this Offer will be subject to such approvals. Non-resident Indian ("**NRI**") and overseas corporate body ("**OCB**") holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Offer, including without limitation the approval from the Reserve Bank of India ("**RBI**"), and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (as defined below) and other documents required to accept this Offer. Where statutory approval extends to some but not all of the Shareholders, the Acquirer shall have the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete the Offer.
4. This Offer is a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations, made pursuant to an open offer by Jupiter Metal Private Limited *vide* a public announcement dated July 10, 2013.
5. The Offer is also subject to the satisfaction of the conditions stipulated under the Share Purchase Agreement and disclosed in paragraph 2.1.6 (each of which is considered to be outside the reasonable control of the Acquirer). In the event that such conditions are not fulfilled for any reason outside the reasonable control of the Acquirer and the Share Purchase Agreement is rescinded, the Acquirer shall have a right to withdraw this Offer in terms of regulation 23 of the SEBI (SAST) Regulations.
6. If there is any upward revision in the Offer Price or the number of Equity Shares sought to be acquired in this Offer, prior to commencement of 3 (three) Working Days before the commencement of the Tendering Period, i.e. up to Tuesday, September 10, 2013, the same will be notified to the public by way of a public announcement in the same newspapers where the detailed public statement in relation to this Offer ("**DPS**") appeared. Such revised amount of the Offer Price would be payable for all the Equity Shares validly tendered anytime during the Tendering Period.
7. In the event that the number of Equity Shares validly tendered by the Shareholders under this Offer is more than the Offer Size (defined below), the Acquirer shall accept the Equity Shares received from the Shareholders on a proportionate basis in consultation with the Manager to the Offer.
8. **The public offers under all the subsisting bids shall open and close on the same date.**
9. A copy of the public announcement in relation to this Offer ("**PA**"), the DPS and this Draft Letter of Offer are expected to be available on SEBI's website: www.sebi.gov.in.

Manager to the Offer	Registrar to the Offer
ICICI SECURITIES LIMITED ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, India Contact person: Mr. Mangesh Ghogle Tel: +91 22 2288 2460/70 Fax: +91 22 2282 6580 Email: kalindee.openoffer@icicisecurities.com Website: www.icicisecurities.com SEBI Registration Number: INM000011179	**LINK INTIME INDIA PRIVATE LIMITED** C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078, India Contact person: Mr. Pravin Kasare Tel: +91 22 2596 7878 Fax: +91 22 2596 0329 Email: kalindee.offer@linkintime.co.in Website: www.linkintime.co.in SEBI Registration Number: INR000004058

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Activity	**Day and Date**
Date of the PA	Saturday, July 20, 2013
Date of publishing the DPS	Friday, July 26, 2013
Last date for public announcement of a competing offer(s) as per the First DPS (as defined in paragraph 2.2.12 below)	Wednesday, August 07, 2013
Identified Date*	Thursday, August 29, 2013
Date by which Letter of Offer will be dispatched to the Shareholders (except the Sellers) as on the Identified Date	Thursday, September 05, 2013
Last date for upward revision of Offer Price and / or Offer Size	Tuesday, September 10, 2013
Last date by which the recommendation of the committee of independent directors of the Target Company will be published	Wednesday, September 11, 2013
Date of public announcement for opening of the Offer in the newspapers where the DPS has been published	Thursday, September 12, 2013
Date of commencement of the Tendering Period (Offer opening date)#	Friday, September 13, 2013
Date of expiry of the Tendering Period (Offer closing date)#	Thursday, September 26, 2013
Last date of communicating rejection / acceptance and payment of consideration for accepted Equity Shares and / or share certificate(s) / demat delivery instruction for rejected Equity Shares will be dispatched / issued	Friday, October 11, 2013

**Date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Shareholders of the Target Company to whom the Letter of Offer shall be sent. It is clarified that all the Shareholders (registered or unregistered) of the Target Company (except the Sellers) are eligible to participate in this Offer at any time during the Tendering Period of the Offer.*

 # This is a competing offer and the public offers under all subsisting bids shall open and close on the same date.

RISK FACTORS

The risk factors set forth below pertain to the underlying transaction, this Offer and the Acquirer 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 a Shareholder in this Offer, but are merely indicative. Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analyzing all risks with respect to their participation in this Offer.

A. Risk relating to the underlying transaction

1. In accordance with the terms and conditions of the Share Purchase Agreement, the closing of the transactions under the Share Purchase Agreement is conditional upon the fulfillment of the conditions precedent set out therein. 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 Acquirer and the Share Purchase Agreement is rescinded, the Acquirer shall have the right to withdraw this Offer.

2. The underlying transaction is subject to completion risks as would be applicable to similar transactions.

3. In this regard, it may also be pertinent to note that the Board of Directors of the Target Company has authorized the Preferential Allotment subject to approval of the shareholders of the Target Company. The successful completion of the Preferential Allotment is a condition precedent to the completion of the transactions under the Share Purchase Agreement in terms thereof. The Preferential Allotment is subject to certain conditions including the receipt of the approval of the shareholders of the Target Company by way of a special resolution (which are beyond the reasonable control of the Acquirer).

B. Risks relating to this Offer

1. To the best of the knowledge of the Acquirer, no statutory approvals are required by the Acquirer to complete this Offer other than an approval of the Reserve Bank of India, if any, for the acquisition of the Equity Shares from the non resident Shareholders of the Target Company. However, in case any statutory approvals are required by the Acquirer at a later date, before the closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory approvals, as per regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days from the date of Closure of the Tendering Period, at such rate as may be specified by SEBI. Accordingly, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Shareholders, the Acquirer will have the option to make payment of the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirer will have the right, under regulation 23 of the SEBI (SAST) Regulations to withdraw this Offer in the event any statutory approval, as may be required, is not granted.

2. NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.

3. Since this Offer is a competitive offer in terms of Regulation 20 of the SEBI (SAST) Regulations, the Acquirer cannot give any assurance regarding the successful consummation of the Offer and the acquisition of control of the Target Company.

4. In the event that either: (a) there is any litigation that leads to an injunction on this Offer or restricts the Acquirer from performing its obligations hereunder; or (b) SEBI instructs the Acquirer not to proceed with this Offer, then this Offer process may not proceed or may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer by the Acquirer, may be delayed.

5. The Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.

6. The Registrar to the Offer will hold in trust the Equity Shares, by holding the share certificates pertaining to the Equity Shares held in physical form and the Equity Shares held in demat form in the Depository Escrow Account (as defined below), along with the documents submitted by the Shareholders, on behalf of the Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer, even if the acceptance of the Equity Shares in this Offer and dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares.

7. This Offer is an offer to acquire up to 49,52,280 (forty nine lakh, fifty two thousand, two hundred and eighty) Equity Shares, representing 30% (thirty percent) of the Fully Diluted Shares. In the case of over-subscription of this Offer, acceptance will be determined by the Acquirer in consultation with the Manager to the Offer, on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Shareholders in this Offer will be accepted.

8. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and comply with all applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

9. The Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

10. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources. Any person placing reliance on any other source of information will be doing so at his/her own risk.

11. This Offer is subject to completion risks as would be applicable to similar transactions.

C. Risks relating to the Acquirer

1. The Acquirer makes no assurances with respect to its investment / divestment decisions relating to its proposed shareholding in the Target Company.

2. The Acquirer makes no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

3. The Acquirer makes no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim their responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in this Offer.

4. The Acquirer does not accept responsibility with respect to the information contained in the PA, the DPS, or the Draft Letter of Offer that pertains to the Target Company.

GENERAL

This Draft Letter of Offer together with the DPS that was published on July 26, 2013 and the PA dated July 20, 2013 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 Draft Letter of Offer 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 Acquirer and persons deemed to be acting in concert with the Acquirer, 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 Acquirer or any persons deemed to act in concert with the Acquirer are under any obligations to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date (as defined below). However, receipt of this Letter of Offer by any 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 Draft Letter of Offer and/or the Letter of Offer under any local securities laws), shall not be treated by such Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly no such Shareholder may tender his, her or its Equity Shares in this Offer.

Persons in possession of the Draft Letter of Offer and/or the Letter of Offer are required to inform themselves of any relevant restrictions. Any 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

- In this Draft Letter of Offer, all references to “Rs.”/“Rupees”/“INR” are to Indian Rupee(s).
- In this Draft Letter of Offer, 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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DEFINITIONS AND ABBREVIATIONS

Term	Definition
Acquirer / TexRail	Texmaco Rail & Engineering Limited, having its registered office at Belgharia, Kolkata, West Bengal – 700 056
Board of Directors	Board of Directors of the Target Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Closing Date	The date of completion/consummation of the transactions contemplated under the Share Purchase Agreement
Closure of the Tendering Period	The last day by which the Shareholders may tender their Equity Shares in acceptance of the Offer, i.e. Thursday, September 26, 2013. (This is a competing offer and the public offers under all subsisting bids shall open and close on the same date.)
CSE	Calcutta Stock Exchange Limited
Depository Escrow Account	The depository account opened by the Registrar to the Offer with Ventura Securities Limited, having DP ID of IN303116 and beneficiary client ID of 11219362
Depositories	CDSL and NSDL
DP	Depository Participant
DPS / Detailed Public Statement	Detailed public statement in relation to this Offer published on July 26, 2013, by the Manager to the Offer, on behalf of the Acquirer
Draft Letter of Offer / DLOF	This draft letter of offer dated August 2, 2013
DSE	Delhi Stock Exchange Limited
Equity Shares	Fully paid-up equity shares of the Target Company, having a face value of Rs. 10 (Rupees Ten) each
Equity Share Capital	The issued, subscribed and paid-up equity share capital of Target Company
Escrow Amount	The cash amount deposited by the Acquirer in one or more account(s), having lien marked with an irrevocable right to encash the proceeds in favour of the Manager to the Offer, in compliance with regulation 17 of the SEBI (SAST) Regulations.
Escrow Bank / ICICI Bank	ICICI Bank Limited, having its registered office at Landmark, Race Course Cirlce, Vadodara – 390 007 and acting through its office at 20, Rasoi Court, R. N. Mukherjee Road, Kolkata – 700 001 for the purposes of this Offer
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act
FIPB	Foreign Investment Promotion Board
Fixed Deposit Account	The fixed depost account having account number 000610051215 held with ICICI Bank at its branch at 20, Rasoi Court, R. N. Mukherjee Road, Kolkata-700001.
Form of Acceptance-cum-Acknowledgement	The form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer
Fully Diluted Shares	Fully diluted voting equity share capital of the Target Company, as of the 10^{th} Working Day from the Closure of the Tendering Period of the Offer (as calculated in paragraphs 2.2.8 and 4.6 below)
GAAP	Generally Accepted Accounting Principles
GoI	Government of India
ICAI	Institute of Chartered Accountants of India

Identified Date	Thursday, August 29, 2013, i.e. the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders to whom the Letter of Offer shall be sent
Income Tax Act	Income-tax Act, 1961 and subsequent amendments thereto
Indian GAAP	GAAP, as applicable to Indian companies
Listing Agreements	Listing agreements entered into by the Target Company with BSE and NSE
Manager to the Offer	ICICI Securities Limited, having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020
Maximum Consideration	Total funding requirement for this Offer of Rs. 33,67,55,040 (Rupees thirty three crore, sixty seven lakh, fifty five thousand and forty), assuming full acceptance of this Offer unless there is a revision in the Offer Price or Offer Size.
NEFT	National Electronic Funds Transfer
NRI	Non Resident Indian, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body, as defined under Foreign Exchange Management (Deposit) Regulations, 2000
Offer	This open offer, which is being made by the Acquirer to the Shareholders of the Target Company (other than the Sellers), for acquiring up to 49,52,280 (forty nine lakh, fifty two thousand, two hundred and eighty) Equity Shares, representing 30% (thirty percent) of the Fully Diluted Shares
Offer Period	The period between the date of entering into the Share Purchase Agreement and the date on which the payment of consideration to the Shareholders whose Equity Shares are valdily accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	Price of Rs. 68.00 (Rupees sixty eight) per Equity Share
Offer Size	Up to 49,52,280 (forty nine lakh, fifty two thousand, two hundred and eighty) Equity Shares, representing 30% (thirty percent) of the Fully Diluted Shares
Overseas Tax	Tax payable under the tax laws applicable in overseas jurisdictions
PA / Public Announcement	Public announcement dated July 20, 2013, issued by the Manager to the Offer on behalf of the Acquirer, in relation to this Offer and sent to the Stock Exchanges on July 20, 2013
PAN	Permanent Account Number
Preferential Allotment	Allotment of 41,10,400 Equity Shares to the Acquirer on a preferential allotment basis at a price of Rs. 65.13 per Equity Share, constituting 24.90% of the Fully Diluted Shares, as authorised by the Board of Directors in its meeting held on July 13, 2013, subject to approval of the shareholders of the Target Company through postal ballot
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited, having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078, Maharashtra, India
Rs. / Rupees	Indian Rupees
RTGS	Real Time Gross Settlement
Sale Consideration	Total consideration of Rs. 12,59,67,400 to be paid by the Acquirer

	against the Sale Shares purchased from the Sellers in terms of the SPA
Sale Shares	19,37,960 Equity Shares to be purchased by the Acquirer from the Sellers in terms of the SPA
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Sellers	Mr. Ram Dayal Sharma, Mr. Arvind Gemini, Ms. Kalpana Gemini, Ms. Sunita Gemini, Ms. Brijlata Gemini, Mr. Lalit Kishore Gemini, Ms. Kanta Sharma, Ms. Laxmi Gemini and Kalindee Estates Pvt. Ltd., who have agreed to sell 19,37,960 Equity Shares to the Acquirer as per the SPA. Mr. Arvind Gemini and Mr. Lalit Kishore Gemini are deceased and actions in relation to their shareholding shall be taken by their legal heirs.
Share Purchase Agreement / SPA	The share purchase agreement dated July 20, 2013 executed by and among the Acquirer and the Sellers, pursuant to which, the Acquirer has agreed to purchase from the Sellers the Sale Shares, constituting 11.74% of the Fully Diluted Shares, at a price of Rs. 65.00 per Equity Share
Shareholders	Public shareholders of the Target Company holding the Equity Shares other than the Sellers
Stock Exchanges	Stock exchanges where Equity Shares of the Target Company are listed i.e. BSE, NSE, CSE and DSE
Target Company	Kalindee Rail Nirman (Engineers) Limited, having its registered office at F-5, Gautam Nagar, Gulmohar Park Road, New Delhi – 110 049
Tax Clearance Certificate / TCC	Certificate to be furnished by the NRIs/OCBs/FIIs and other non-resident Shareholders indicating the amount to be deducted by the Acquirer under the Income Tax Act, before remitting the consideration for the Equity Shares tendered by them under the Offer
Tendering Period	Period commencing from Friday, September 13, 2013 and closing on Thursday, September 26, 2013 (both days inclusive), or such other revised period pursuant to the SEBI (SAST) Regulations, including regulation 20(8) thereof as this is a competing offer.
Working Day	A working day of SEBI

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.*

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THERETO. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF KALINDEE RAIL NIRMAN (ENGINEERS) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, ICICI SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 2, 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THERETO. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THIS OFFER

2.1 Background to this Offer

2.1.1 This Offer is being made in compliance with regulations 3(1) and 4 of the SEBI (SAST) Regulations and is being made as a result of an agreement for a direct substantial acquisition of Equity Shares and voting rights, accompanied with a change in control of the Target Company, pursuant to the Share Purchase Agreement, more particularly stated in paragraph 2.1.3 below.

2.1.2 This Offer is also a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations to the open offer made by Jupiter Metal Private Limited, the details of which have been set out in paragraph 2.2.12.

2.1.3 The Acquirer and the Sellers have entered into a Share Purchase Agreement dated July 20, 2013, pursuant to which, the Acquirer has, subject to the satisfaction or waiver of certain conditions set out in the Share Purchase Agreement, agreed to purchase from the Sellers, 19,37,960 Equity Shares constituting 11.74% of the Fully Diluted Shares at a price of Rs. 65 per Equity Share, and to acquire control over the management of the Target Company.

2.1.4 The salient features of the Share Purchase Agreement are as follows:

- The Sellers have agreed to sell and the Acquirer has agreed to purchase, 19,37,960 (nineteen lakh, thirty seven thousand, nine hundred and sixty) Equity Shares of the Target Company, i.e. the Sale Shares, held by the Sellers in consideration of an amount of Rs. 12,59,67,400, i.e. the Sale Consideration, calculated on the basis of a price per Sale Share of Rs. 65. At present, the Sellers, being part of the promoters and promoter group of the Target Company are in control of the management of the Target Company and the Sellers have also agreed to transfer the management control of the Target Company to the Acquirer, on the terms and conditions as set forth in the Share Purchase Agreement.

- The obligation of the Acquirer to purchase the Sale Shares under the Share Purchase Agreement is subject to the fulfillment of certain conditions precedent, prior to the completion/consummation of the transactions contemplated under the Share Purchase Agreement ("**Closing**").

- Notwithstanding anything contained in the Share Purchase Agreement and irrespective of whether the conditions precedent mentioned below have been satisfied or not, the Acquirer may at any time, subject to all applicable laws, at its discretion and subject to any additional conditions as the Acquirer may deem fit, waive any or all of the conditions precedent mentioned below and furnish a letter to the Sellers requesting the Sellers to go ahead with the proposed sale of the Sale Shares and specifying a date on which Closing shall take place.

- The Closing shall take place, upon the fulfillment or waiver, as the case may be, of the conditions precedent mentioned below on the Closing Date intimated by the Acquirer to the Sellers. The Acquirer may, at its discretion, fix the Closing Date on a date which is the earliest date on which the Sale Shares can be transferred to the Acquirer under applicable laws including the SEBI (SAST) Regulations and any other rules and regulations, if applicable.

- On the Closing Date, the Sellers shall convene a meeting of the Board of Directors of the Target Company in which meeting, the Acquirer shall, subject to applicable laws, be entitled to appoint its nominees on the Board of Directors of the Target Company and assume Control (as defined under the SEBI (SAST) Regulations) of the Target Company. In the event the meeting of the Board of Directors cannot be held on the Closing Date for this purpose due to any applicable laws, the Sellers shall convene a board meeting on such date as may be requested by the Acquirer. On the date, the Acquirer appoints its nominees as directors of the Target Company, the Sellers shall cause the directors nominated by them to resign from the Board of Directors of the Target Company.

- The Sellers have, *inter alia*, made the following warranties to the Acquirer under the Share Purchase Agreement:

    (a) Each of them has full power, capacity and authority, to sign, execute, deliver and comply with the terms and conditions laid down herein and has taken or is in the process of taking all necessary actions (statutory or otherwise) to execute and authorize the execution, delivery and performance of the Share Purchase Agreement.

    (b) Each of them is fully entitled and authorized to sell the respective Sale Shares in the manner and upon the terms and conditions contained in the Share Purchase Agreement;

(c) Each of them is the absolute owner of the Sale Shares, free of all encumbrances except the encumbrance created in favour of the lenders of the Target Company to secure the loans obtained by the Target Company and which shall be released on or before the Closing Date, and has validly acquired and is authorized to validly hold the Sale Shares and all relevant approvals including Governmental Approvals, as may be required in this regard, have been obtained and are currently in force and effect;

(d) There has been made no disclosure of any information to the Acquirer by the Sellers in relation to the Target Company and its business which is not in the public domain or which is to be considered as price sensitive information;

(e) The Target Company has conducted its business and corporate affairs in accordance with its memorandum of association and articles of association and in accordance with all applicable laws and regulations of India. Neither the Target Company nor the Sellers have, in connection with the business and operations of the Target Company, acted in violation of the laws applicable to them or applicable to the Target Company.

2.1.5 The Acquirer has subject to fulfillment of certain conditions set out in the Share Purchase Agreement agreed to acquire the Equity Shares from the Sellers as under:

Seller	Number of Equity Shares	% of Fully Diluted Shares	Price Per Equity Share (Rs.)	Consideration (Rs.)
Mr. Ram Dayal Sharma	9,22,010	5.59%	65	5,99,30,650
Mr. Arvind Gemini #	2,10,395	1.27%	65	1,36,75,675
Kalindee Estates Pvt. Ltd.	2,86,106	1.73%	65	1,85,96,890
Ms. Kalpana Gemini	1,12,914	0.68%	65	73,39,410
Ms. Sunita Gemini	1,20,425	0.73%	65	78,27,625
Ms. Brijlata Gemini	1,03,935	0.63%	65	67,55,775
Mr. Lalit Kishore Gemini #	1,01,375	0.61%	65	65,89,375
Ms. Kanta Sharma	59,000	0.36%	65	38,35,000
Ms. Laxmi Gemini	21,800	0.13%	65	14,17,000
TOTAL	**19,37,960**	**11.74%**		**12,59,67,400**

 # Mr. Arvind Gemini and Mr. Lalit Kishore Gemini are deceased and actions in relation to their shareholding shall be taken by their legal heirs.

The total number of Equity Shares to be sold by the Sellers to the Acquirer are 19,37,960 and the total consideration for the aforesaid Sale Shares shall be Rs. 12,59,67,400 (Rupees twelve crore, fifty nine lakh, sixty seven thousand and four hundred) calculated on the basis of a price per Sale Share of Rs. 65 (Rupees Sixty Five).

2.1.6 The completion under the Share Purchase Agreement and the acquisition of the Sale Shares from the Sellers in accordance with the Share Purchase Agreement is conditional on the satisfaction or waiver (at the option of the Acquirer) of certain conditions set out in the Share Purchase Agreement, including the following conditions (each of which is considered to be outside the reasonable control of the Acquirer):

- The shareholders of the Target Company having consented, through a special resolution, to the Preferential Allotment of 41,10,400 Equity Shares to the Acquirer and the Target Company having completed the Preferential Allotment to the Acquirer in accordance with applicable law.

- The Sellers having caused the transmission of 3,11,770 (three lakh, eleven thousand, seven hundred and seventy) Sale Shares previously held by Late Mr. Arvind Gemini and Late Mr. Lalit Kishore Gemini in favour of their respective legal heirs and having obtained the succession certificates or such other legal documents pursuant to which, one or more of the Sellers shall have become the legal and beneficial owners of such relevant Sale Shares.

- The Sellers having taken all actions and obtained all approvals, including any consent from the lenders of the Target Company, as may be required, for the execution, delivery and performance of the transactions contemplated under the Share Purchase Agreement.

- The encumbrances over 7,96,355 (seven lakh, ninety six thousand, three hundred and fifty five) Sale Shares or any other Sale Shares, proposed to be purchased by the Acquirer from the Sellers, having been removed and the Sellers having caused the lender(s) of the Target Company to provide letter(s) confirming the release of the encumbrance over such Sale Shares.

- The Sellers' warranties under the Share Purchase Agreement remaining true and correct throughout up to and including the Closing Date (i.e. the date on which the transactions contemplated under the Share Purchase Agreement are to be completed) and the Sellers having performed and complied with all their agreements, obligations and conditions as mentioned in the Share Purchase Agreement;

- There having occurred no Material Adverse Effect in respect of the business of the Target Company or otherwise. "Material Adverse Effect" is defined in the Share Purchase Agreement as any event or circumstances which, in the opinion of the Acquirer, either by itself or taken together with other events or circumstances, would, or is reasonably expected to, adversely affect the financial condition or business operations or prospects of a Person or the power and capacity of such Person to perform his obligations under the Share Purchase Agreement.

2.1.7 In this regard, it may also be pertinent to note that the Board of Directors has authorized the Preferential Allotment of 41,10,400 Equity Shares constituting 24.90% of the Fully Diluted Shares to the Acquirer in its meeting held on July 13, 2013, subject to approval of the shareholders of the Target Company through postal ballot. The successful completion of the Preferential Allotment is a condition precedent to the completion of the transactions under the Share Purchase Agreement. The Preferential Allotment is subject to certain conditions including the receipt of the approval of the shareholders of the Target Company by way of a special resolution (which are beyond the reasonable control of the Acquirer).

2.1.8 Subject to the terms and conditions of the SPA and fulfillment or waiver of the conditions precedent stipulated therein, the Sellers shall sell, transfer, convey, assign and deliver, as legal and beneficial owners, to the Acquirer and the Acquirer shall, relying on the representations and warranties of the Sellers under the SPA, purchase, acquire and accept from the Sellers, the Sale Shares, free from all encumbrances as mentioned therein and together with all rights, title and interest of the Sellers in and to the Sale Shares without any restrictions whatsoever, at the price equal to the Sale Consideration on the Closing Date in the manner set out in the SPA.

2.1.9 In the event, any of the conditions precedent are not satisfied for reasons outside the reasonable control of the Acquirer, the Acquirer may elect to terminate the Share Purchase Agreement, as per its provisions and then the Acquirer shall have the right to withdraw the Offer subject to the SEBI (SAST) Regulations.

2.1.10 The Acquirer has not been prohibited by SEBI from dealing in securities in terms of any directions issued under Section 11B of the SEBI Act or under any other applicable regulations made under the SEBI Act.

2.1.11 This Offer is being made to the Shareholders of the Target Company, other than the Sellers, in accordance with SEBI (SAST) Regulations to capitalize on the favourable long term growth prospects of the Target Company, utilizing the benefits of the synergy with the business of the Acquirer and to facilitate the long term growth plans of the Acquirer.

2.1.12 The Acquirer intends to continue with the existing line of business of the Target Company and expand it with sound management and financial support.

2.1.13 As per regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors shall constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Shareholders and such recommendations shall be published at least two (2) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS related to the Offer was published, in compliance with regulation 26(7) of the SEBI (SAST) Regulations.

2.2 Details of the proposed Offer

2.2.1 This Offer is an open offer being made by the Acquirer in compliance with regulations 3(1), 4 and 20 of the SEBI (SAST) Regulations and is being made as a result of proposed direct acquisition of Equity Shares and control by the Acquirer over the Target Company.

2.2.2 There are no persons acting in concert with the Acquirer in relation to the Offer within the meaning of regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.

2.2.3 The Public Announcement was issued on July 20, 2013 to the Shareholders of the Target Company through the Stock Exchanges, by the Manager to the Offer for and on behalf of the Acquirer.

2.2.4 Subsequently, the Acquirer published the Detailed Public Statement on July 26, 2013 in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Mumbai Lakshadeep	Marathi	Mumbai

A copy of the DPS is also available on SEBI's website: www.sebi.gov.in

2.2.5 This Offer has been made upon the execution of the Share Purchase Agreement entered into by the Acquirer with the Sellers. As per the Share Purchase Agreement, the Acquirer has agreed to purchase, in aggregate, 19,37,960 Equity Shares representing 11.74% of the Fully Diluted Shares from the Sellers, for cash, at a price of Rs. 65 per Equity Share.

2.2.6 There are no partly paid up Equity Shares in the Target Company. Further, there is no differential pricing for the Offer.

2.2.7 This Offer is being made to all Shareholders of the Target Company, other than the Sellers and the Acquirer, pursuant to which the Acquirer has agreed to acquire up to 49,52,280 (forty nine lakh, fifty two thousand, two hundred and eighty) Equity Shares, representing 30% (thirty percent) of the Fully Diluted Shares of the Target Company, at a price of Rs. 68.00 (Rupees sixty eight) (i.e. the Offer Price) 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 and this Draft Letter of Offer.

2.2.8 The calculation of the Fully Diluted Shares of the Target Company and the Offer Size is as follows:

Particulars	Issued and Paid up Equity Shares and Voting Rights	% of Equity Shares / Voting Capital
Fully paid up Equity Shares as on the date of PA	1,23,97,197	100%
Partly paid up Equity Shares as on the date of PA	Nil	Nil
Total	**1,23,97,197**	**100%**

FULLY DILUTED SHARES / VOTING CAPITAL (as on the 10th Working Day from the Closure of the Tendering Period of the Offer)	
Equity Shares as on the date of PA (A)	1,23,97,197
Add: Equity Shares proposed to be issued pursuant to the Preferential Allotment (B)	41,10,400
Fully Diluted Shares (A + B)	1,65,07,597
Offer Size (30% of the Fully Diluted Shares)	49,52,280

2.2.9 All the Equity Shares validly tendered under this Offer to the extent of 30% of the Fully Diluted Shares of the Target Company will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Draft Letter of Offer. The Shareholders of the Target Company who tender their Equity Shares under this Offer should ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares of the Shareholders of the Target Company, other than the Sellers, who validly tender their Equity Shares, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereon.

2.2.10 As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer, other than an approval of the RBI, if any, for the acquisition of the Equity Shares from the non resident Shareholders of the Target Company. However, in case of any statutory approvals being required by the Acquirer at a later date before the Closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation the approval from the RBI), and submit such approvals along with other documents required in terms of the Form of Acceptance-cum-Acknowledgement and the terms and conditions mentioned in this Draft Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including

NRIs, OCBs and FIIs) require or had required any approvals (including from the RBI or the FIPB) 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 the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves its right to reject such Equity Shares tendered in this Offer. No statutory approvals are required by the Acquirer for effecting the underlying transactions pursuant to which the Offer is made.

2.2.11 This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of SEBI (SAST) Regulations.

2.2.12 This Offer is a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations. Brief details of the original offer ("**First Offer**") are as follows:

Name of acquirer	Jupiter Metal Private Limited
Name of the manager to the First Offer	Ashika Capital Limited
Number of Equity Shares proposed to be acquired	37,19,200 (thirty seven lakh, nineteen thousand, two hundred)
Percentage of Equity Shares proposed to be acquired	30% of the paid up and voting share capital of the Target Company (excluding the Equity Shares proposed to be issued pursuant to the Preferential Allotment)
Date of public announcement ("**First PA**")	July 10, 2013
Date of detailed public statement ("**First DPS**")	July 17, 2013
Offer price	Rs. 70.00 per Equity Share*
Mode of payment	Cash

** The offer price as per the First PA and First DPS was Rs. 65.00 per Equity Share, which was subsequently revised to Rs. 70.00 per Equity Share pursuant to addendum to the First PA and First DPS published on July 24, 2013.*

2.2.13 The Acquirer has not acquired any Equity Shares after the date of the PA, i.e. July 20, 2013, and up to the date of this Draft Letter of Offer.

2.2.14 The closing of the transactions under the Share Purchase Agreement is conditional upon the completion of the conditions precedent set out therein (details of which are provided in paragraph 2.1.6) all of which are considered to be outside the reasonable control of the Acquirer. In the event that such conditions are not fulfilled for any reason outside the reasonable control of the Acquirer and the Share Purchase Agreement is rescinded, the Acquirer shall have a right to withdraw this Offer in terms of regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made (through the Manager to the Open Offer) stating the grounds and reasons for the withdrawal of the Offer in accordance with regulation 23(2) of the SEBI (SAST) Regulations, within 2 (two) Working Days of such withdrawal in the same newspapers in which the DPS had been published and copies of such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

2.2.15 As per Clause 40A of the Listing Agreements, read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding as determined in accordance with the SCRR, on a continuous basis for listing. The acquisition of the Equity Shares proposed to be acquired under this Offer together with the acquisition of the Equity Shares from the Sellers pursuant to the Share Purchase Agreement and the Equity Shares proposed to be issued to the Acquirer pursuant to the Preferential Allotment, shall not result in the public shareholding in the Target Company falling below the minimum level required for continued listing under Clause 40A of the Listing Agreements and Rule 19A of the SCRR. If, pursuant to revisions in the Offer Size, the public shareholding in the Target Company reduces below the minimum level required as per the Listing Agreements, read with Rule 19A of the SCRR, the Acquirer hereby undertakes to reduce its shareholding in the Target Company, within the period specified in the SCRR, such that the Target Company complies with the minimum public shareholding requirement prescribed in the Listing Agreements, read with Rule 19A of the SCRR.

2.3 Object of the underlying transaction and this Offer

2.3.1 The Acquirer is involved in the business of manufacturing of rolling stock, hydro mechanical equipments, steel castings, agricultural and other equipments. The Acquirer has made this offer in order to capitalize on the favourable long term growth prospects of the Target Company, utilizing the benefits of the synergy with the business of the Acquirer and to facilitate the long term growth plans of the Acquirer.

2.3.2 The Acquirer intends to continue with the existing line of business of the Target Company and expand it with sound management and financial support.

2.3.3 As of the date of this DLOF, the Acquirer does not have any plans to dispose of or otherwise encumber any material assets of the Target Company in the next 2 (two) years, except as may be approved by the Board of Directors of the Target Company and (i) in the ordinary course of business; or (ii) to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities, business or otherwise of the Target Company. Further, subject to the requisite approvals, the Acquirer may evaluate options regarding disposal of any surplus assets. Any such disposal or encumbrance shall be with the prior approval of the shareholders obtained by way of a special resolution in terms of regulation 25(2) of the of the SEBI (SAST) Regulations.

2.3.4 The Acquirer reserves the right to streamline/restructure its holding in the Target Company and/or the operations, assets, liabilities and/or businesses of the Target Company. Such decisions will be taken in accordance with the procedures set out by applicable law, and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time.

2.3.5 The Acquirer proposes to extend necessary support to the Target Company, whenever required, in taking necessary steps to improve its operational efficiencies, extend the area of its operations and strengthen its business strategies. The Acquirer also intends to support the decisions of the Board of Directors in operational matters like employment and location of places of business of the Target Company.

3. BACKGROUND OF THE ACQUIRER

3.1 The Acquirer is a public limited company and was incorporated on June 25, 1998 under the Companies Act, 1956 by the name Texmaco Machines Private Limited. The name of the Acquirer was changed to Texmaco Machines Limited on March 3, 2010 and subsequently to Texmaco Rail & Engineering Limited on April 23, 2010. With effect from the appointed date April 1, 2010, through a court approved demerger, the heavy engineering and steel foundry businesses of M/s. Texmaco Limited (founded in 1939 by the renowned industrialist, Late Dr. K. K. Birla) was demerged into Texmaco Rail & Engineering Limited. The Acquirer is registered with the

Registrar of Companies, West Bengal, with Corporate Identity Number (CIN) - L29261WB1998PLC087404. The registered office of the Acquirer is located at Belgharia, Kolkata, West Bengal – 700 056.

3.2 The Acquirer is involved in the business of manufacturing of rolling stock, hydro mechanical equipments, steel castings, agricultural and other equipments.

3.3 The Acquirer is a part of the Adventz Group, which is controlled by Mr. Saroj Poddar. Texmaco Infrastructure & Holdings Limited ("**Texinfra**"), formerly known as Texmaco Limited and currently part of the Adventz Group, is the promoter of the Acquirer. The promoter and promoter group of the Acquirer hold 63.25% of the total issued equity shares of the Acquirer as on the date of this DLOF. The main promoter group entities are Texinfra and Zuari Investments Limited which, respectively, hold 30.00% and 15.91% of the total issued equity shares of the Acquirer. No single public shareholder holds more than 5% of the total issued equity shares of the Acquirer.

3.4 As of the date of this Draft Letter of Offer, the directors and key employees of the Acquirer do not have any interest in the Target Company and there are no directors representing the Acquirer on the Board of Directors of the Target Company.

3.5 As the Acquirer has never held any shares of the Target Company in the past 10 years, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, and the provisions with regard to disclosures under Chapter V of the SEBI (SAST) Regulations are not applicable to the Acquirer.

3.6 The shareholding pattern of the Acquirer based on the latest benpos available as on the date of this Draft Letter of Offer i.e. as of July 26, 2013, is as follows:

Sr. No.	Shareholder's Category	No. of shares held	Percentage of shares held
1	Promoters and Promoter Group	11,51,27,010	63.25%
2	FII/ Mutual Funds/ FIs / Banks	4,81,35,067	26.44%
3	Public*	1,87,64,513	10.31%
	Total	**18,20,26,590**	100.00%

** Excludes Institutional public shareholders which are denoted separately in (2) above*

3.7 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer, are as follows:

Sr. No.	Name of Director, DIN and Designation	Experience	Qualification	Date of Appointment
1	Mr. Saroj Poddar Chairman DIN – 00008654	• Chairman of the Adventz Group • On the Advisory Board of Indian arm of Messrs N M Rothschild & Sons • Served as President of FICCI and International Chamber of Commerce in India	B. Com (Hons)	25/09/2010

		• Appointed by GoI on Board of Trade and Indian Institute of Science, Bangalore • Served as a member of the Board of Governors of the IIT, Kharagpur and on the local Board of the RBI for 10 years each • Appointed as Executive Chairman of TexRail w.e.f. September 25, 2010		
2	Mr. Ramesh Maheshwari Executive Vice Chairman DIN – 00170811	• Associated with TexRail for over 50 years and served as President of M/s Texmaco Limited prior to the demerger of the heavy engineering and steel foundry divisions of Texmaco Limited to the Acquirer • Steered TexRail during his long tenure, especially the slowdown in global economy • Appointed as Executive Vice Chairman of TexRail w.e.f. September 25, 2010	M. Com, L. L. B	01/01/2010
3	Mr. D. H. Kela Whole-time Director DIN – 01050842	• Has experience of more than 45 years in the industry • Held senior positions in engineering and metallurgical companies • Appointed as Executive Director of TexRail w.e.f. September 25, 2010	B.E. (Metallurgical Engineering)	01/01/2010
4	Mr. A. C. Chakrabortti Independent Director DIN – 00015622	• Served as Managing Partner of S. R. Batliboi & Co. and Ernst & Young. • Also held the position of President of the ICAI • Has been a Member of the Governing Committee of the International Federation of Accountants, New York.	Chartered Accountant	25/09/2010
5	Mr. Sampath Dhasarathy Independent Director	• Has experience spanning four decades in the Indian Army and the Railways • Served as Secretary, GoI and Member Mechanical, Ministry of Railways, GoI	B.E (Hons), M.I.E. and also holds Masters Degree in Defence Studies	25/09/2010

	DIN – 01308724			
6	Mr. D. R. Kaarthikeyan Independent Director DIN – 00327907	• Has served several positions in the Indian Police Service • Was Director of the Central Bureau of Investigation of India; and Director-General in the National Human Rights Commission • Functioned as Director of Trade Promotion in Australia and as a Diplomat and Head of Chancery • First Secretary, Consular Division of the Embassy of India in Moscow • Conferred with Padma Shri award in 2010	Bachelor of Science (Chemistry and Agriculture), Bachelor of Law	02/09/2011
7	Mr. Akshay Poddar Non-Executive Director DIN – 00008686	• Categorized as one of the Promoters of the Adventz Group • Board Member of Gillette India Limited & other Companies like CFCL Technologies Limited, Planon Group Limited, Coltrane Corporation Limited and Globalware Holdings Limited • Currently serving as an Executive Committee Member of Indian Chamber of Commerce	Hons. graduate in Accounting & Finance from London School of Economics & Political Science, University of London	02/09/2011
8	Mr. Hemant Kanoria Independent Director DIN – 00193015	• Chairman and Managing Director of Srei Infrastructure Finance Ltd • Has been engaged in infrastructure sector for over twenty years	B. Com (Hons.)	21/10/2011
9	Mr. Sunil Mitra Independent Director DIN – 00113473	• Held the office of Revenue & Finance Secretary, GoI • Had a public service career spanning over three and a half decades	B. Sc (Hons.)	05/11/2012

3.8 None of the Acquirer's directors are on the Board of Directors of the Target Company.

3.9 The key financial information of the Acquirer, as derived from its audited financial statements as at and for the financial years ended March 31, 2013, March 31, 2012 and March 31, 2011 are as follows:

(In Rs. Lakhs)

Profit & Loss Statements	**Financial Year ended March 31,**		
	2013	**2012**	**2011**
Income from operations	104,060.25	94,514.54	111,750.32
Other Income	3,096.69	2,560.74	1,866.49
Total Income	107156.94	97075.28	113616.81
Less: Inter Segment Revenue and Excise Duty	21,119.02	17,771.18	17,895.25
Net Income	**86037.92**	**79304.1**	**95721.56**
Total Expenditure	**70,429.08**	**63,638.67**	**76,561.78**
Profit Before Depreciation Interest and Tax	**15,608.84**	**15,665.43**	**19,159.78**
Depreciation and amortization expenses	939.18	917.80	858.50
Finance costs	1,192.99	1,121.91	735.07
Profit Before Tax	**13,476.67**	**13,625.72**	**17,566.21**
Provision for Tax	4,049.76	4,320.00	5,418.61
Profit After Tax	**9,426.91**	**9,305.72**	**12,147.60**

(In Rs. Lakhs)

Balance Sheets	**As on March 31,**		
	2013	**2012**	**2011**
Sources of funds			
Paid up equity share capital	1,820.27	1,820.27	1,817.83
Reserves and Surplus (excluding revaluation reserves)	55,135.23	47,837.94	40,606.66
Net worth	56,955.50	49,658.21	42,424.49
Revaluation Reserves	1,135.56	1,204.52	1,242.01
Non-current liabilities	2,160.61	2,783.50	931.58
Current liabilities	46,486.97	53,167.21	43,078.29
Total	**106,738.64**	**106,813.44**	**87,676.37**
Uses of funds			
Non-current assets	24,752.26	20,458.36	11,035.36
Current assets	81,986.38	86,355.08	76,641.01
Total	**106,738.64**	**106,813.44**	**87,676.37**

(In Rs. except percentages)

Other Financial Data	**Financial Year ended March 31,**		
	2013	**2012**	**2011**
Dividend (%)	100%	100%	100%
Earning Per Share (Basic)	5.18	5.11	6.68
Earning Per Share (Diluted)	5.18	5.11	6.67

Source: Annual reports of the Acquirer for the financial years ended March 31, 2013, 2012 and 2011

3.10 As on March 31, 2013, the date of the last audited accounts, except as mentioned below, the Acquirer does not have any contingent liabilities:

(In Rs. Lakhs)

Contingent Liabilities (not provided for) in respect of :	Financial Year	
	2012-13	2011-12
(a) Guarantees given by Banks in the normal course of Business	33,127.06	33,854.27
(b) Letters of Credit opened by Banks in the normal course of Business	5,808.28	9,962.66
(c) Bonds issued to Custom Department	92.20	92.20
(d)Claims under dispute (Excise Duty, Service Tax & others)	2,199.50	2,199.50

Source: Annual report of the Acquirer for the financial year ended March 31, 2013

3.11 The Acquirer has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

3.12 The equity shares of the Acquirer are listed on BSE, NSE and CSE.

3.13 The closing price of the equity shares of the Acquirer as quoted on NSE on August 1, 2013 is Rs. 27.35 and on BSE on August 1, 2013 is Rs. 26.80.

3.14 The Acquirer has complied with all the provisions of the listing agreements relating to corporate governance.

3.15 Details of the compliance officer of the Acquirer are as follows:
Name: Mr. A. K. Vijay
Address: Texmaco Rail & Engineering Limited, Belgharia, Kolkata – 700 056
Telephone No: (033) 2569 1500; Fax No: (033) 2541 2448; E-mail: ak.vijay@texmaco.in

4. BACKGROUND OF THE TARGET COMPANY

4.1 Kalindee Rail Nirman (Engineers) Limited, a public limited company, was incorporated in Jaipur on February 15, 1984 under the Companies Act, 1956. The Target Company obtained the Certificate for Commencement of Business on July 2, 1984. The registered office of the Target Company was shifted from Jaipur to New Delhi on February 20, 2002. The registered office of the Target Company is situated at F-5, Gautam Nagar, Gulmohar Park Road, New Delhi-110 049. There have been no changes in the name of the Target Company during the last three years.

4.2 The main objects of the Target Company as per its Memorandum of Association, *inter-alia*, include, to carry on the business as manufacturers, producers, job-workers assemblers, designers, developers, importers, exporters, sellers, providers of repair and services in the line of telecommunication including telegraph, telephone, telex, teleprinters, wireless equipments, signals and similar apparatus and their components and accessories and electrical goods, wires, cables and wire ropes to be used in telecommunication, to carry on the business of manufacturing, assembling and dealing in railways rolling stocks, rails and other materials or parts of machinery connected with railways etc.

4.3 The Target Company is operating in the areas of signaling, telecommunications, automatic fare collections, track and information systems, etc. for rail transport.

4.4 The authorized share capital of the Target Company is Rs. 6,500.00 lakhs comprising of 6,50,00,000 Equity Shares. The issued, subscribed and paid-up capital of the Target Company as on the date of this DLOF is Rs. 1,239.72 lakhs comprising of 1,23,97,197 Equity Shares.

4.5 The Board of Directors of the Target Company at its meeting held on July 13, 2013, has approved, subject to compliance with applicable laws and regulations, receipt of approval of the shareholders of the Target Company and receipt of other necessary approvals, the issuance, by way of a preferential allotment pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and other applicable legal provisions, including Chapter VII of the SEBI (ICDR) Regulations, of 41,10,400 Equity Shares to the Acquirer such that the post Preferential Allotment shareholding of the Acquirer in the Target Company shall be approximately 24.90% (without taking into consideration the Equity Shares that may be acquired by the Acquirer under this Offer and the Equity Shares that are proposed to be purchased from the Sellers pursuant to the Share Purchase Agreement). Further, pursuant to the intimations dated July 19, 2013 and July 20, 2013 to the BSE and NSE, the Target Company has fixed the price for the Preferential Allotment at Rs. 65.13 per Equity Share, in accordance with Chapter VII of the SEBI (ICDR) Regulations. The approval of the shareholders of the Target Company for the Preferential Allotment has been sought by way of a special resolution by postal ballot.

4.6 Details of the voting share capital as of the date of this Draft Letter of Offer are as follows:

Paid up Equity Shares of the Target Company	**No. of Equity Shares / voting rights**	**Percentage of Equity Shares / voting rights**
Fully paid-up Equity Shares	1,23,97,197	100%
Partly paid-up Equity Shares	Nil	Nil
Total paid-up Equity Shares	1,23,97,197	100%
Total voting rights in Target Company	1,23,97,197	100%

FULLY DILUTED SHARES / VOTING CAPITAL (as on the 10th Working Day from the Closure of the Tendering Period of the Offer)	
Equity Shares as on the date of PA (A)	1,23,97,197
Add: Equity Shares proposed to be issued pursuant to the Preferential Allotment (B)	41,10,400
Fully Diluted Shares (A + B)	1,65,07,597
Offer Size (30% of the Fully Diluted Shares)	49,52,280

4.7 As on March 31, 2013, the promoters / promoter group of the Target Company held 19,38,060 Equity Shares, constituting 15.63% of the existing paid up and voting capital of the Target Company. Out of the total promoters / promoter group holding, 1,50,000 Equity Shares are under lock in. (Source: www.bseindia.com)

4.8 The Equity Shares of the Target Company are presently listed on BSE under Indonext Category, NSE, CSE and DSE. All the outstanding Equity Shares are admitted for trading at BSE & NSE. The Target Company has been complying with the relevant provisions of the listing agreements entered into with BSE & NSE. The Target Company has made applications for delisting the Equity Shares from CSE and DSE.

4.9 The Equity Shares of the Target Company are frequently traded on BSE and NSE within the meaning of regulation 2(1)(j) of the SEBI (SAST) Regulations. Pursuant to the delisting applications made by the Target Company to CSE and DSE, the Equity Shares are not traded on CSE and DSE.

4.10 Trading of the Equity Shares is not currently suspended on the Stock Exchanges. There are no Equity Shares that are not listed on the Stock Exchanges. The Target Company has made applications for delisting the Equity Shares from CSE and DSE, pursuant to which the Equity Shares are not traded on CSE and DSE.

4.11 There are currently no outstanding partly paid up equity shares or any other instruments convertible into Equity Shares of the Target Company at a future date.

4.12 There has been no merger, demerger or spin off during the last three (3) years involving the Target Company.

4.13 The details of the Board of Directors are set forth below:

Sr. No.	Name of Director	Designation	Date of Appointment
1	Mr. R. D. Sharma	Chairman and Managing Director	15/02/1984
2	Ms. Kalpana Gemini	Whole-Time Director	20/07/2012
3	Ms. Sunita Gemini	Whole-Time Director	20/07/2012
4	Mr. S. K. Khanna	Independent Director	10/09/2002
5	Mr. Shanti Narain	Independent Director	20/06/2003
6	Mr. K. K. Agrawal	Independent Director	28/04/2009
7	Mr. M. K. Khanna	Independent Director	29/04/2011

4.14 As of the date of this Draft Letter of Offer, the Acquirer does not have any representation on the Board of Directors.

4.15 The key financial information of the Target Company, as derived from its audited financial statements as at and for the financial years ended March 31, 2013, March 31, 2012 and March 31, 2011 are as follows:

(In Rs. Lakhs)

Profit & Loss Statements	**Financial Year Ended March 31,**		
	2013	**2012**	**2011**
Income from Operations	25,722.21	24,433.11	22,964.26
Other Income	346.86	266.22	311.39
Total Income	**26,069.07**	**24,699.33**	**23,275.65**
Total Expenditure	**23,300.05**	**22,354.74**	**21,148.65**
Profit/(Loss) before Depreciation, Interest & Tax	**2,769.02**	**2,344.59**	**2,127.00**
Interest & Bank Charges	1,391.19	1,047.20	754.36
Depreciation	156.00	153.86	144.16
Profit/ (Loss) Before Tax	**1,221.83**	**1,143.53**	**1,228.48**
Tax	412.39	375.28	540.72
Profit/ (Loss) After Tax	**809.44**	**768.25**	**687.76**

(In Rs. Lakhs)

Balance Sheets	**As on March 31,**		
	2013	**2012**	**2011**
Sources of Funds			

Paid up Share Capital	1,239.72	1,239.72	1,224.72
Reserves & Surplus	14,017.68	12,888.98	11,800.49
Amount received against Conversion of Warrants	0.00	319.25	485.15
Net worth	**15,257.40**	**14,447.95**	**13,510.36**
Non-Current Liabilities	299.63	208.08	194.40
Current Liabilities	15,755.17	13,400.97	11,137.77
Total	**31,312.20**	**28,057.00**	**24,842.53**
Uses of funds			
Non-Current Assets	1,799.80	1,878.99	1,635.89
Current Assets	29,512.40	26,178.01	23,206.64
Total	**31,312.20**	**28,057.00**	**24,842.53**

(In Rs., except percentages)

Other Financial Data	**Financial Year Ended March 31,**		
	2013	**2012**	**2011**
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (EPS) - Basic and Diluted	6.53	6.20	5.62
Return on Net worth (%)	5.31	5.32	5.09
Book Value per share	123.07	116.54	110.31

Source: Financials for year ended on March 31, 2013 are from the audited financial results submitted to NSE and BSE. Financials for years ended on March 31, 2012 and 2011 are from annual reports for the financial years ended on March 31, 2012 and 2011, respectively.

4.16 Based on the latest benpos, as of July 26, 2013, available on the date of this Draft Letter of Offer, the shareholding pattern of the Target Company before and after this Offer is as follows:

(All % figures given below are calculated on the Fully Diluted Shares)

Shareholders' category	**Shareholding & voting rights prior to the acquisition of Equity Shares under the SPA and the Offer**		**Shares / voting rights agreed to be acquired / (sold) through the SPA which triggered the Offer**		**Shares / voting rights to be acquired / (sold) in the Offer (assuming full acceptances)**		**Shareholding / voting rights after the acquisition of Equity Shares under the SPA and the Offer (assuming full acceptances) (1)**	
	(A)		**(B)**		**(D)**		**(A)+(B)+(C)+(D)=(E)**	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to the SPA	19,48,560	11.80	(19,37,960)	(11.74)	Nil	Nil	10,600	0.06
b. Promoters other than (a) above	100	0.00	Nil	Nil	Nil	Nil	100	0.00
Total 1(a+b)	**19,48,660**	**11.80**	**(19,37,960)**	**(11.74)**	**Nil**	**Nil**	**10,700**	**0.06**
(2) Acquirer	**Nil**	**Nil**	**19,37,960**	**11.74**	**49,52,280**	**30.00**	**1,10,00,640**	**66.64**
(3) Public (other than parties to the SPA & Acquirer)								
a. FIs / MFs / FIIs / Banks / SFIs	1,04,48,537	63.30	Nil	Nil	(49,52,280)	(30.00)	54,96,257	33.30
b. Others								
(No. of shareholders in								

"Public": 36,722								
Total (3)(a+b)	**1,04,48,537**	**63.30**	**Nil**	**Nil**	**(49,52,280)**	**(30.00)**	**54,96,257**	**33.30**
GRAND TOTAL (1+2+3)	**1,23,97,197**	**75.10**	**Nil**	**Nil**	**Nil**	**Nil**	**1,65,07,597**	**100.00**

Note:
(1) Includes the 41,10,400 Equity Shares, proposed to be issued pursuant to the Preferential Allotment

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Offer is made pursuant to the execution of the SPA for the direct acquisition of Equity Shares and control of the Target Company by the Acquirer.

5.1.2 The Equity Shares of the Target Company are listed on BSE under Indonext category, NSE, CSE and DSE. The Target Company has made applications for delisting the Equity Shares from CSE and DSE. The Equity Shares of the Target Company are frequently traded on BSE and NSE. Pursuant to the delisting applications made by the Target Company to CSE and DSE, the Equity Shares of the Target Company are not traded on CSE and DSE.

5.1.3 The trading turnover based on the trading volume of the Equity Shares of the Target Company on BSE and NSE during July 1, 2012 to June 30, 2013, i.e. 12 (twelve) calendar months preceding July 2013, the month in which the PA was issued, is as under:

Stock Exchange	Number of Equity Shares traded during the 12 calendar months prior to the month in which the PA was issued	Total number of listed Equity Shares during this period	Annualized trading turnover (as a percentage of total listed Equity Shares)
BSE	1,59,46,642	1,23,97,197	128.63%
NSE	4,92,31,879	1,23,97,197	397.12%

Source: www.bseindia.com and www.nseindia.com

Therefore, in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded on NSE and BSE.

5.1.4 Further, the Equity Shares are more frequently traded on NSE as compared to BSE in terms of trading volume during the immediately preceding 60 (sixty) trading days from the date of the PA, which is detailed below:

Stock Exchange	Number of Equity Shares traded during immediately preceding 60 trading days from the date of the PA
BSE	36,50,667
NSE	1,06,99,107

Source: www.bseindia.com and www.nseindia.com

5.1.5 The Offer Price of Rs. 68.00 (Rupees sixty eight) per Equity Share is justified in terms of regulations 8(2) and 8(5) of the SEBI (SAST) Regulations, in view of the following:

(a)	Highest negotiated price per Equity Share under the Share Purchase Agreement.	Rs. 65.00

(b)	Volume-weighted average price paid or payable by the Acquirer, during the 52 weeks immediately preceding the date of the PA.	Rs. 65.13
(c)	Highest price paid or payable for any acquisition, by the Acquirer, during the 26 weeks immediately preceding the date of the PA.	Rs. 65.13
(d)	Volume-weighted average market price of the Equity Shares for a period of 60 trading days immediately preceding the date of the PA as traded on the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period, provided such Equity Shares are frequently traded.	Rs. 62.73
(e)	Per Equity Share value, as required under regulation 8(5) of the SEBI (SAST) Regulations.	Not Applicable

5.1.6 The price and volume data of the Equity Shares on NSE, i.e. where the Equity Shares are most frequently traded, for a period of 60 (sixty) trading days immediately preceding the date of the PA, as per regulation 8(2) of the SEBI (SAST) Regulations, are set forth below:

Sr. No.	Date	Total Traded Quantity of Equity Shares	Total Turnover (in Rs. Lakhs)	Volume weighted average price (in Rs.)
1	29-Apr-13	31,697	15.91	50.19
2	30-Apr-13	31,200	15.59	49.97
3	2-May-13	35,577	17.74	49.86
4	3-May-13	20,871	10.33	49.49
5	6-May-13	61,096	29.96	49.04
6	7-May-13	236,112	116.36	49.28
7	8-May-13	35,762	17.69	49.47
8	9-May-13	57,599	28.25	49.05
9	10-May-13	38,695	18.94	48.95
10	11-May-13	8,954	4.4	49.14
11	13-May-13	45,290	22	48.58
12	14-May-13	93,346	45.8	49.06
13	15-May-13	98,599	47.64	48.32
14	16-May-13	260,513	130.31	50.02
15	17-May-13	79,546	39.05	49.09
16	20-May-13	90,959	45.57	50.10
17	21-May-13	1,251,854	679.09	54.25
18	22-May-13	211,955	113.53	53.56
19	23-May-13	106,079	54.29	51.18
20	24-May-13	136,007	72.42	53.25
21	27-May-13	71,086	38.64	54.36
22	28-May-13	74,855	40.57	54.20
23	29-May-13	95,773	52.7	55.03
24	30-May-13	51,454	27.92	54.26

Sr. No.	Date	Total Traded Quantity of Equity Shares	Total Turnover (in Rs. Lakhs)	Volume weighted average price (in Rs.)
25	31-May-13	81,471	42.97	52.74
26	3-Jun-13	43,132	22.91	53.12
27	4-Jun-13	44,771	24.55	54.83
28	5-Jun-13	24,597	13.4	54.48
29	6-Jun-13	44,659	24.65	55.20
30	7-Jun-13	215,825	127.02	58.85
31	10-Jun-13	83,125	48.41	58.24
32	11-Jun-13	56,483	32.38	57.33
33	12-Jun-13	47,695	27.08	56.78
34	13-Jun-13	64,611	36.28	56.15
35	14-Jun-13	53,675	30.94	57.64
36	17-Jun-13	37,107	21.83	58.83
37	18-Jun-13	73,062	43.79	59.94
38	19-Jun-13	132,624	82.29	62.05
39	20-Jun-13	69,703	41.42	59.42
40	21-Jun-13	88,837	52.3	58.87
41	24-Jun-13	69,845	41.16	58.93
42	25-Jun-13	91,179	52.03	57.06
43	26-Jun-13	28,112	16.25	57.80
44	27-Jun-13	28,772	16.46	57.21
45	28-Jun-13	153,523	91.48	59.59
46	1-Jul-13	109,892	67.3	61.24
47	2-Jul-13	78,014	45.83	58.75
48	3-Jul-13	94,749	55.7	58.79
49	4-Jul-13	120,007	72.29	60.24
50	5-Jul-13	149,050	91.02	61.07
51	8-Jul-13	103,083	60.01	58.22
52	9-Jul-13	86,167	51.8	60.12
53	10-Jul-13	107,135	65.1	60.76
54	11-Jul-13	784,354	518.62	66.12
55	12-Jul-13	1,295,125	938.19	72.44
56	15-Jul-13	1,656,238	1,209.62	73.03
57	16-Jul-13	499,892	347.52	69.52
58	17-Jul-13	350,642	249.33	71.11
59	18-Jul-13	314,819	228.37	72.54
60	19-Jul-13	192,253	136.32	70.91
Total		**10,699,107**	**6,711.32**	
Volume Weighted Average Market Price (Total turnover divided by total traded Equity Shares)				**62.73**

(*Source: NSE website*)

5.1.7 In view of the parameters considered and presented in the table in paragraph 5.1.5 above, in the opinion of the Manager to the Offer, the Offer Price of Rs. 68.00/- (Rupees sixty eight) per Equity Share is justified in terms of regulation 8 of the SEBI (SAST) Regulations.

5.1.8 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under regulation 8(9) of the SEBI (SAST) Regulations. (Source: BSE and NSE websites)

5.1.9 There has been no revision in the Offer Price by the Acquirer as of the date of this Draft Letter of Offer. Further revisions in the Offer Price for any reason including future purchases/competing offers shall be done only prior to the commencement of the last three Working Days before the commencement of the Tendering Period and will be notified to the Shareholders by a (i) public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneous notification to the Stock Exchanges, SEBI and the Target Company at its registered office. Further, in the event of such revision, the Acquirer shall make corresponding increases to the Escrow Amount. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.

5.1.10 The Acquirer shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

5.1.11 If the Acquirer acquires any Equity Shares during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all Shareholders whose Equity Shares have been accepted in the 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 the SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges where the Equity Shares are traded, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.

5.2 Financial Arrangements

5.2.1 The Maximum Consideration for this Offer is Rs. 33,67,55,040, assuming full acceptance of this Offer.

5.2.2 The Acquirer has adequate resources to meet the financial requirements of the Offer and will fund the Maximum Consideration from its domestic bank accounts.

5.2.3 The Acquirer has deposited a sum of Rs. 8,50,00,000 (Rupees Eight Crore and Fifty Lakh) in a fixed deposit having account number 000610051215 held with ICICI Bank at its branch at 20, Rasoi Court, R. N. Mukherjee Road, Kolkata-700001, who has marked a lien on the Fixed Deposit Account with an irrevocable right to encash the proceeds in favour of the Manager to the Offer, through its letter dated July 24, 2013. The said amount deposited in the Fixed Deposit Account is more than the minimum prescribed amount of 25% of the first Rs. 500,00,00,000 (Rupees Five Hundred Crore) of the Maximum Consideration, under regulation 17 of the SEBI (SAST) Regulations. The Manager to the Offer is duly authorized by the Acquirer to issue a banker's cheque or demand draft or make payments out of the aforesaid Fixed Deposit Account in terms of the SEBI (SAST) Regulations.

5.2.4 In case of revision of the Offer Price and / or the Offer Size, the Acquirer shall (i) make deposits into an escrow account; (ii) deposit additional funds into the existing Fixed Deposit Account specified above; and/or (iii) deposit additional funds into new fixed deposit accounts with liens marked with an irrevocable right to encash the proceeds in favour of the Manager to the Offer, to ensure compliance with regulation 17 of the SEBI (SAST) Regulations.

5.2.5 M/s. K. N. Gutgutia & Co., Chartered Accountants (through its Partner, Mr. K. C. Sharma having membership no. 50819), having its address at 6C, Middleton Street, Flat No. 23 (2nd Floor), Kolkata – 700071 (Tel: +91 33 2287 3735; Fax: +91 33 2287 3756), have vide its letter dated July 20, 2013, certified on the basis of their scrutiny of the books of accounts, records and documents of the Acquirer, that the Acquirer has adequate and firm financial resources to enable it to meet its financial obligations relating to the Offer.

5.2.6 Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfill the Acquirer's obligations through verifiable means in relation to this Offer in accordance with the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THIS OFFER

6.1 This Offer is being made by the Acquirer to, save and except the Sellers, (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on August 29, 2013, i.e. the Identified Date; (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 August 29, 2013, i.e. the Identified Date; 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. September 26, 2013 but who are not the registered Shareholders.

6.2 This Offer is being made by the Acquirer to all the Shareholders except the Sellers, to acquire up to 49,52,280 (forty nine lakh, fifty two thousand, two hundred and eighty) Equity Shares, representing 30% (thirty percent) of the Fully Diluted Shares, subject to the terms and conditions mentioned in the PA, DPS and the Letter of Offer.

6.3 This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of the SEBI (SAST) Regulations.

6.4 This Offer is a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.

6.5 There has been no revision in the Offer Price as of the date of this Draft Letter of Offer. Further revisions in the Offer Price for any reason including future purchases/competing offers shall be done prior to the commencement of the last three Working Days before the commencement of the Tendering Period and will be notified to the Shareholders by a (i) public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneous notification to Stock Exchanges, SEBI and the Target Company at its registered office. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.

6.6 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.

6.7 Accidental omission to dispatch the Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

6.8 Each Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.

6.9 The Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares that are validly accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereon.

6.10 The acceptance of this Offer is entirely at the discretion of the Shareholders. The Acquirer will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interests in this regard.

6.11 The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the collection centers mentioned in paragraph 7.5 below on or before **16:30 hours on September 26, 2013**, i.e. Closure of the Tendering Period. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Shareholder, the Manager to the Offer and the Acquirer reserve the right to reject the acceptance of this Offer by such Shareholder.

6.12 The Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, DPS and the Letter of Offer are **not** entitled to withdraw such acceptance during the Tendering Period for this Offer.

6.13 In the event that the aggregate of the Equity Shares tendered in this Offer by the Shareholders are more than the Offer Size, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.

6.14 Out of the total equity share capital of the Target Company, 1,50,000 Equity Shares held by the promoters and promoter group are locked-in ("**Locked-In Equity Shares**"). The Locked-In Equity Shares shall be duly transferred to the Acquirer, pursuant to the Closing of the SPA. The Acquirer hereby undertakes and agrees that the residual lock-in period of the Locked-In Equity Shares shall continue for the remaining period with the Acquirer. The Equity Shares to be issued pursuant to the Preferential Allotment shall be locked-in, in accordance with the SEBI (ICDR) Regulations. The Manager to the Offer shall ensure that there shall be no discrimination in the acceptance of the Locked-In Equity Shares and the Equity Shares that are not locked-in. In this regard, it may be noted that as per the information available on the websites of the BSE and NSE, the only locked-in Equity Shares are held by the Sellers, to whom this Offer is not being made.

6.15 Incomplete Forms of Acceptance-cum-Acknowledgement, 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 Equity Shares tendered are liable to be rejected.

6.16 **Statutory & Other Approvals**

6.16.1 To the best of the knowledge of the Acquirer, no statutory approvals are required by the Acquirer to complete this Offer other than an approval of the Reserve Bank of India, if any, for the acquisition of the Equity Shares from the non resident Shareholders of the Target Company. However, in case of any statutory approvals being required by the Acquirer at a later date, this

Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals.

6.16.2 NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) require or had required any approvals (including from the RBI or FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder 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. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

6.16.3 In case of delay in receipt of any such statutory approvals, as per regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days from the Closure of the Tendering Period at such rate, as may be specified by SEBI. Provided where the statutory approvals extend to some but not all Shareholders, the Acquirer will have the option to pay the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

6.16.4 The Acquirer will have the right not to proceed with this Offer in accordance with regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are refused or if the conditions set out under the Share Purchase Agreement are not fulfilled for any reason outside the reasonable control of the Acquirer and the Share Purchase Agreement is rescinded. In the event of withdrawal of this Offer, a public announcement will be made (through the Manager to the Offer) stating the grounds and reasons for the withdrawal of the Offer in accordance with regulation 23(2) of the SEBI (SAST) Regulations, within 2 (two) working days of such withdrawal, in the same newspapers in which this DPS is published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

7.1 A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between the Acquirer and the tendering Shareholder, including the tendering Shareholder's acceptance of the terms and conditions of the Letter of Offer.

7.2 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to, except the Sellers and the Acquirer, (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; and (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.

7.3 Every Shareholder in the Target Company, regardless of whether she/ he/ it held the Equity Shares on the Identified Date, or has not received the Letter of Offer, is entitled to participate in the Offer.

7.4 The Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI's website at www.sebi.gov.in, or obtain it from the Registrar to the Offer and send in their acceptances to the Registrar to the Offer by filling the same.

7.5 The Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, at any of the collection centers mentioned below during business hours on or before 16:30 hours on September 26, 2013, i.e. the Closure of the Tendering Period, in accordance with the procedure as set out in this Draft Letter of Offer:

City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
Mumbai	Pravin Kasare	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078.	022-25967878	022-25960329	pravin.kasare@linkintime.co.in	Hand Delivery & Registered Post
Ahmedabad	Hitesh Patel	Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009	079-2646 5179	079-2646 5179	ahmedabad@linkintime.co.in	Hand Delivery
Bangalore	Nagendra Rao	Link Intime India Pvt. Ltd., 543/A, 7TH Main, 3rd Cross, Hanumanthanagar, Bangalore - 560 019	080-26509004	080-26509004	bangalore@linkintime.co.in linkblr@gmail.com	Hand Delivery
Kolkata	S.P. Guha	Link Intime India Pvt. Ltd, 59C, Chowringhee Road, 3rd Floor, Kolkata - 700020	033-22890539/40	033-22890539/40	kolkata@linkintime.co.in	Hand Delivery
New Delhi	Swapan Naskar	Link Intime India Pvt. Ltd., 44 Community Centre 2nd Floor, Nariana Industrial Area Phase I, Near PVR, Nariana, New Delhi - 110 028	011-41410592/93/94	011-41410591	delhi@linkintime.co.in	Hand Delivery

Pune	Rajeeva Koteshwar	Link Intime India Pvt. Ltd, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001.	020-26160084, 26161629	020 - 26163503	pune@linkintime.co.in	Hand Delivery
Chennai	Mrs. Solly Soy	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai-600 017	044- 2815 2672, 044-4207 0906	044- 2815 2672	chennai@saspartners.com	Hand Delivery
Jaipur	Mr. Kamal Maloo	M/s Maloo Finance & Investment Services, 103,110, First floor, Brij Anukampa, Opp BSNL Office , Ashok Marg, C-Scheme, Jaipur - 302001	0141-2360571 / 2360572, 09314377962	0141-2360572	kamalkmaloo2002@yahoo.com	Hand Delivery

All of the centers mentioned above will be open as follows:
Business Hours: *Monday to Friday: 10:30 to 16:30*
Holidays: *Saturdays, Sundays and Public Holidays*

7.6 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer or the Target Company.

7.7 Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078, Maharashtra, India; Tel: +91 22 2596 7878; Fax: +91 22 2596 0329; Email: kalindee.offer@linkintime.co.in; Contact Person: Mr. Pravin Kasare, so as to reach the Registrar to the Offer on or before 16:30 hours on September 26, 2013, i.e. Closure of the Tendering Period.

7.8 <u>Shareholders who are holding Equity Shares in physical form:</u>

7.8.1 The Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in this Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement along with self attested copy of PAN cards of all the transferors are required to be submitted.

7.8.2 Valid transfer deed(s) should be 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. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.

7.8.3 Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer.

7.8.4 In case of registered Shareholders in whose respect, the aforesaid documents have not been received, but the original share certificate(s) and duly signed transfer form(s) have been received, the Offer shall be deemed to have been accepted.

7.9 **<u>Shareholders who are holding Equity Shares in dematerialized form:</u>**

7.9.1 Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.

7.9.2 The Registrar to the Offer has opened a special Depository Escrow Account with Ventura Securities Limited called "LIIPL Kalindee Open Offer Escrow Demat Account". The Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Depository Escrow Account:

Depository Participant Name	Ventura Securities Limited
DP ID	IN303116
Client ID	11219362
Account Name	LIIPL Kalindee Open Offer Escrow Demat Account
Depositary	National Securities Depository Limited ("NSDL")

7.9.3 It is the sole responsibility of the Shareholder to ensure credit of its Equity Shares in the Depository Escrow Account above, on or before September 26, 2013, i.e. Closure of the Tendering Period.

7.9.4 The Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Depository Escrow Account with NSDL.

7.9.5 The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period is liable to be rejected.

7.9.6 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

7.9.7 In case of resident Shareholders in whose respect, the aforesaid documents have not been received, but the Equity Shares have been received in the above Special Depository Account, the Offer shall be deemed to have been accepted.

7.10 <u>Shareholders who have sent their Equity Shares for dematerialization:</u>

7.10.1 The Shareholders who have sent their Equity Shares for dematerialization and who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder's DP, in accordance with the instructions mentioned in paragraph 7.9 above. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Shareholder(s) whose name appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.

7.10.2 Such Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before September 26, 2013, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the share certificate(s) in this Offer as per the procedure mentioned in paragraph 7.8 above.

7.11 Unregistered Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deed(s) (if applicable) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 16:30 hours on September 26, 2013, i.e. Closure of the Tendering Period. Valid share transfer deed(s), as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Shareholders. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s). The Shareholders should ensure that the share certificate(s) and above documents reach the designated collection centre on or before 16:30 hours on September 26, 2013, i.e. Closure of the Tendering Period.

7.12 The Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder is no more;
- duly attested power of attorney if any person apart from the Shareholder has signed the application form and/or transfer deeds;
- in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;
- banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and
- any other relevant documents.

7.13 In case of non-receipt of the Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 16:30 hours on September 26, 2013, i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account, so as to reach the Registrar to the Offer, on or before 16:30 hours on September 26, 2013, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Shareholders who have sent their Equity Shares for dematerialization/re-materialization need to ensure that the process of getting Equity Shares dematerialized/rematerialized is completed well in time so that the credit in the Depository Escrow Account is received or physical share certificate(s) are received by the Registrar to the Offer on or before 16:30 hours on September 26, 2013, i.e. Closure of the Tendering Period, else their application would be rejected.

7.14 NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including, without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) require or had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholder 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. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

7.15 In case of delay in receipt of any statutory approvals, which may be required by the Acquirer at a later date, as per regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the

Shareholders for delay beyond 10 (ten) Working Days from the Closure of the Tendering Period at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Shareholders, the Acquirer will have the option to pay consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

7.16 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Equity Shares that are the subject of litigation, wherein the Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. The Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

7.17 The Registrar to the Offer will hold in trust the Equity Shares, by holding the share certificates pertaining to the Equity Shares held in physical form and the Equity Shares held in demat form in the Depository Escrow Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Shareholders whose Equity Shares have been validly accepted in this Offer, till completion of formalities relating to this Offer. In case of the Equity Shares tendered in physical form, where the original share certificates are required to be split, all the documents will be returned only upon receipt of the new share certificates from the Target Company.

7.18 If the aggregate of the valid responses to this Offer by the Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Shareholders will be accepted 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 the Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

7.19 The marketable lot of the Target Company for the purpose of this Offer is 1 (one) Equity Share.

7.20 Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Shareholders'/unregistered Shareholders' sole risk to the sole/first Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of the Offer formalities.

7.21 Payment to those Shareholders whose Equity Share are validly accepted, will be by way of a bankers' cheque / demand draft / NEFT / RTGS. The Shareholders who opt for receiving consideration through NEFT/RTGS are requested to give the authorization for the same in the Form of Acceptance-cum-Acknowledgement, provide the Magnetic Ink Character Recognition (MICR)/ Indian Financial System Code (IFSC) of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account along with the Form of Acceptance-cum-Acknowledgement. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). In case of joint holders/unregistered owners, payments will be made in the name of the first holder/unregistered owner. The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) the share certificate(s) for any rejected Equity Shares, will be dispatched to the Shareholders by registered post / speed post, at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

7.22 For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post at the Shareholder's sole risk.

7.23 All bankers' cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/demand draft.

7.24 Equity Shares, Acceptance-cum-Acknowledgment and/ or the other relevant documents should not be submitted/ tendered to the Manager to the Offer, the Acquirer or the Target Company.

7.25 Compliance with tax and other regulatory requirements:

A. General

a) As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the Income Tax Act or as business profits as the case may be, the Acquirer are required to deduct taxes at source (including surcharge and education cess) at the applicable rates to such non resident Shareholders (except FII).The payment of interest (paid for delay in payment of Open Offer Price) by Acquirer to the resident and non-resident Shareholders (including FII) may be chargeable to tax, as income from other sources under Section 56 of the Income Tax Act. The Acquirer would be required to deduct tax at source (including applicable surcharge and cess) at the applicable rate as per Income Tax Act on such interest (paid for delay in payment of Open Offer Price).Resident and non-resident Shareholders (including FII) are required to submit their Permanent Account Number ("**PAN**") for income-tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder or is otherwise than as required by law, the Acquirer will arrange to deduct tax at the rate of 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act as discussed in paragraphs (B) to (D) below (as increased by surcharge and cess, as may be applicable), whichever is higher.

b) All Shareholders shall certify their tax residency status (i.e. whether resident or non-resident) by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. All Shareholders shall certify their tax status (i.e. whether Individual, Firm, Company, Association of Persons/ Body of Individuals, Trust, Any other, etc.) by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. All non-resident Shareholders (including FII) shall certify their nature of income arising from the sale of

Equity Shares in the Target Company i.e. whether capital gains or business income or interest, if any, by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, it would be assumed that the status of the Shareholder is a non-resident Shareholder and taxes may be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Shareholder

c) Any Shareholder claiming benefit under any Double Taxation Avoidance Agreement between India and any other foreign country should furnish 'Tax Residence Certificate' provided to him / it by the Income Tax Authority of such other foreign country of which he / it claims to be a tax resident.. In addition, such shareholder will also be required to provide such other information/document as may be prescribed by Indian revenue authorities in this regard, if any.

d) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

B. **Tax to be Deducted in case of Non-resident Shareholders (other than FII)**

While tendering Equity Shares under the Offer, NRIs / OCBs / non-resident Shareholders shall be required to submit a Nil Withholding Tax Certificate or Lower Withholding Tax Certificate ('Withholding Tax Certificate or WTC') from the Income-tax Authorities under Section 195(3) or Section 197 of the Income Tax Act along with the Form of Acceptance cum Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration and the interest (paid for delay in payment of Open Offer Price), if any. The Acquirer will arrange to deduct taxes at source in accordance with such WTC.

In case the aforesaid WTC is not submitted, the Acquirer will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the entire consideration and interest (paid for delay in payment of Open Offer Price), if any, payable to such Shareholder. It is to be noted that benefit under applicable Double Taxation Avoidance Agreements or withholding of tax at source at lower or Nil rate would not be entertained without appropriate certificate issued u/s. 195 or 197 of the Income Tax Act.

All non-resident Shareholders (excluding FII) would be required to submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirer will arrange to deduct tax at the rate of 20% (as provided in section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.

All non-resident Shareholders (excluding FII) claiming benefit under any Double Taxation Avoidance Agreement ("**DTAA**") between India and any other foreign country should furnish "Tax Residence Certificate" provided to him / it by the Income Tax Authority of such other foreign country of which he / it claims to be a tax resident. In addition, such non-resident Shareholders will be required to provide such other information/document as may be prescribed by Indian revenue authorities in this regard, if any.

e) All non-resident Shareholders (excluding FII) should certify the nature of its income arising from the sale of Equity Shares in the Target Company as per the Income Tax Act in the Form of Acceptance-cum-Acknowledgement as either capital gains or business income.

All non-resident Shareholders (excluding FII), where the income arising from the Sale of Equity Shares in the Target Company as per the Income Tax Act is in the nature of business income will be required to provide a **s**elf declaration that such non-resident Shareholder does not have any Permanent Establishment or Business Connection in terms of Indian tax laws. However, such non-resident Shareholders will also be required to submit WTC for the purposes of withholding taxes at source else taxes will be withheld at maximum rate applicable to the relevant category to which such shareholder belongs under the Income Tax Act.

C. **Withholding tax implications for FII**

a) As per provisions of section 196D(2) of the Income Tax Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in section 115AD of the Income Tax Act to a FII as defined in section 115AD of the Income Tax Act.

A FII should certify ("**FII Certificate**") that the nature of its income arising from the sale of Equity Shares in the Target Company as per the Income Tax Act is capital gains.

b) In an event FII does not provide FII Certificate, FIIs will be required to provide a **s**elf declaration that they does not have any Business Connection in terms of Indian tax laws. However, in such a case FII would also be required to submit a WTC from the Income-tax Authorities while tendering the Equity Shares, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, the Acquirer will deduct tax in accordance with the same. In an event, WTC is not provided to Acquirer, taxes will be withheld at maximum rate applicable to the relevant category to which such Shareholder belongs under the Income Tax Act.

c) In respect of interest income (paid for delay in payment of Open Offer Price), FII should submit a WTC from the Income-tax Authorities indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act. The Acquirer will deduct tax in accordance with the WTC so submitted. In absence of such WTC, the Acquirer will arrange to deduct tax at the maximum rate applicable to the category to which such FII belongs.

d) It is to be noted that benefit under applicable Double Taxation Avoidance Agreements or withholding of tax at source at lower or NIL rate would not be entertained without appropriate certificate issued u/s. 195 or 197 of the Income Tax Act and "Tax Residence Certificate" provided to him / it by the Income Tax Authority of such other foreign country of which he / it claims to be a tax resident. In addition, such non-resident Shareholders will be required to provide such other information/document as may be prescribed by Indian revenue authorities in this regard, if any.

e) All FII's would be required to submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirer will arrange to deduct tax at the rate of 20% (as provided in section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.

D. **Tax to be deducted in case of resident Shareholders**

a) In absence of any specific provision under the Income Tax Act, the Acquirer will not deduct tax on the consideration payable to resident Shareholders for acquisition of Equity Shares.

b) The Acquirer will deduct the tax at the stipulated rates (including applicable surcharge, education cess and secondary higher education cess) on interest(paid for delay in payment of Open Offer Price), if any, payable to resident Shareholders, if the amount of interest payable is in excess of Rs. 5,000 (Rupees Five Thousand only).

c) The resident Shareholder claiming no tax is to be deducted or tax is to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-Acknowledgement, an WTC from the Income-tax Authorities indicating the amount of tax to be deducted by the Acquirer or, in the case of resident Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Shareholder furnishes PAN in such declaration. In case the aforesaid WTC or Form 15G or 15H, if applicable, is not submitted, the Acquirer will arrange to deduct tax at the maximum rate as may be applicable to the category of the Shareholder under the Income Tax Act. Also, no tax is to be deducted on interest amount in the case of resident Shareholder being a Mutual Fund as per Section 10(23D) of the Income Tax Act or a Bank / an entity specified under Section 194A(3)(iii) of the Income Tax Act if it submits a copy of relevant registration or notification along with the Form of Acceptance-cum-Acknowledgement.

E. **Issue of withholding tax certificate**

The Acquirer will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and/ or interest(paid for delay in payment of Open Offer Price),, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

F. **Withholding taxes in respect of overseas jurisdictions**

a) Apart from the above, the Acquirer will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes ("**Overseas Tax**").

b) For this purpose, the non-resident Shareholder shall duly represent in the Form of Acceptance-cum-Acknowledgement the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirer will be entitled to rely on this representation at their sole discretion.

G. Shareholders who wish to tender their Equity Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

a) **Information requirement from non-resident Shareholder**

i) Self attested copy of PAN card

ii) WTC from the Income-tax Authorities

iii) Tax Residence Certificate where the non resident is claim any benefit under a DTAA

iv) In addition, such non-resident Shareholders will be required to provide such other information/document as may be prescribed by Indian revenue authorities in this regard, if any.

v)

vi) Self attested declaration in respect of status of Shareholders (e.g. Individual, Firm, Company, FII, Trust, or any other - please specify)

f) FII Certificate in case of FII (i.e. self attested declaration certifying the nature of income arising from the sale of Equity Shares is capital gains). In case of other non-resident Shareholders (excluding FII), a self attested declaration certifying the nature of income arising from the sale of Equity Shares in the Target Company i.e. whether capital gains or business income or interest, if any, by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.

vii) Self Declaration that the non-resident Shareholder (including FII) does not have any Permanent Establishment or Business Connection in terms of Indian tax laws in case where the income arising from the sale of Equity Shares in the Target Company is in the nature of business income

viii) SEBI registration certificate for FII

ix) RBI and other approval(s) obtained for acquiring the Equity Shares of the Target Company, if applicable

b) **Information requirement in case of resident Shareholder**

i) Self attested copy of PAN card

ii) Self attested declaration in respect of residential status, status of Shareholders (e.g. Individual, Firm, Company, Trust, or any other - please specify)

iii) If applicable, self declaration form in Form 15G Form 15H (in duplicate), as applicable for interest payment, if any.

iv) WTC from the Income Tax authorities (applicable only for the interest payment, if any)

v) For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any)

Notwithstanding the details given above, all payments will be made to all the Shareholders subject to compliance with the prevailing tax laws. The tax deducted under this Offer is not the

final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns. The tax rates and other provisions may undergo changes.

All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by the Shareholders at the registered office of the Manager to the Offer at ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020, Maharashtra. The documents can be inspected during normal business hours (10.00 AM to 5.00 PM) on all Working Days during the Tendering Period.

1. Certificate of Incorporation and Memorandum and Articles of Association of the Acquirer

2. Certificate of Incorporation and Memorandum and Articles of Association of Target Company

3. Board resolutions of the Acquirer authorising this Offer

4. The Share Purchase Agreement, dated July 20, 2013, that triggered this Offer

5. Annual Reports / Audited Financials of FY2013, FY2012 and FY2011 of Target Company

6. Annual Reports of FY2013, FY2012 and FY2011 of the Acquirer

7. Public Announcement dated July 20, 2013 and the Detailed Public Statement published on July 26, 2013

8. Letter dated July 24, 2013, issued by ICICI Bank Limited, marking a lien on the Fixed Deposit Account in favour of the Manager to the Offer

9. Letter dated July 20, 2013, from M/s. K. N. Gutgutia & Co., Chartered Accountants (through its Partner, Mr. K. C. Sharma having membership no. 50819), having its address at 6C, Middleton Street, Flat No. 23 (2nd Floor), Kolkata - 700071, certifying that the Acquirer has adequate and firm financial resources to meet its financial obligations under this Offer

10. Agreement entered into with the DP for opening the Depository Escrow Account

11. Published copy of the recommendation of the committee of independent directors of the Target Company’s Board of Directors in terms of regulation 26(7) of the SEBI (SAST) Regulations

12. Letter from SEBI dated [●] giving its observations on the Draft Letter of Offer

9. DECLARATION BY THE ACQUIRER

9.1 The Acquirer along with its directors accepts full responsibility, for the information contained in this Letter of Offer, including the Form of Acceptance cum Acknowledgement (other than such information as has been obtained from public sources or provided or confirmed by any of the Sellers or the Target Company) and for ensuring compliance with the SEBI (SAST) Regulations and for fulfilling their obligations as laid down in terms of the SEBI (SAST) Regulations.

9.2 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.

9.3 The Acquirer, has made all reasonable inquiries, accepts responsibility, and confirms that this Draft Letter of Offer 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 Draft Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

9.4 The person(s) signing this Draft Letter of Offer on behalf of the Acquirer have been duly and legally authorised by the board of directors of the Acquirer to sign this Draft Letter of Offer.

For and on behalf of the Acquirer

Sd/-
Authorised Signatory

Place: Kolkata
Date: August 2, 2013

Encl:
1) Form of Acceptance-cum-Acknowledgement
2) Transfer deed(s) (for Shareholders holding Equity Shares in physical form)