

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of Kamalakshi Finance Corporation Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in the Kamalakshi Finance Corporation Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom said sale was affected.

OPEN OFFER BY

Dheeraj B. Shah Residing at 23/A-12, Akash CHS, Jalawal Nagar, Ashok Nagar, Kandivali (E), Mumbai-400101, Maharashtra, Tel No.09920619131

is known as the "Acquirer"

to acquire 60,68,400 equity shares of Rs. 10/- each at an Offer Price of Rs. 13/- (Rupees Thirteen only) per fully paid up equity share of Rs. 10/- each payable in cash representing 26.17% of the post preferential equity shares Pursuant to Regulation 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

of

Kamalakshi Finance Corporation Limited ("The Target Company" or "KFCL") having registered office at 306, Dalamal Chambers, Behind Aayakar Bhavan, New Marine Lines, Mumbai, Maharashtra-400020, Tel no.: 022-22074889, Fax no.: 022-22014368, E-mail:kamalakshifinance@gmail.com and

Website:www.kamalakshifinance.com.

ATTENTION:

- The Offer is being made by the Acquirer pursuant to Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "SEBI (SAST) REGULATIONS, 2011" or "Regulations") for the purpose of change in control and the management of the Target Company consequent to the proposed acquisition of entire holding of the existing promoter by the Acquirer.
- The Offer is not a conditional Offer on any minimum level of acceptance.**
- As on the date of this Letter of offer, to the best of the knowledge of the Acquirer, the offer is not subject to any statutory and regulatory approvals, however, if any statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals.
- Upward revision, if any, of the Offer Price would be informed by way of a Corrigendum in the same newspapers where the Detailed Public Statement ("DPS") has appeared. The Acquirer is permitted to revise the Offer Price upwards only at any time prior to the commencement of the last three working days of opening of the Tendering Period i.e. March 18, 2014. The same price will be payable by the Acquirer for all the shares tendered anytime during the Tendering Period.
- As on date of this LOO, no competitive offer was announced.**
- A copy of Public Announcement, Detailed Public Statement, Draft Letter of Offer, Corrigendum, Letter of Offer and Form of Acceptance-cum-Acknowledgement are also available on SEBI's web-site: www.sebi.gov.in**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 8 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 16 to 20) FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT IS ENCLOSED WITH THIS LETTER OF OFFER.

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

Manager to the Offer the offer	Registrar to the Offer
 Intensive Intensive Fiscal Services Private Limited 914, 9 th Floor, Raheja Chambers, Nariman Point, Mumbai- 400021 Tel. Nos.:- 022 22870443/44/45 Fax No.:- 022 22870446 E-mail:- rishabh@intensivefiscal.com Contact Person:- Rishabh Jain/Nikesh Jain SEBI Registration No.: INM000011112	 Purva Share Registry (India) Pvt. Ltd. 9 Shiv Shakti Ind. Estt., J R Boricha Marg, Lower Parel (E), Mumbai 400 011 Tel : 022 2301 6761; Fax.: 022-2301 2517 E mail: busicomp@vsnl.com Contact Person : Mr. V B Shah SEBI Registration No.: INR000002102
OFFER OPENS ON: March 24, 2014	OFFER CLOSES ON: April 7, 2014

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Revised Schedule of Activities	Actual		Revised	
	Date	Day	Date	Day
Date of Public Announcement	December 2, 2013	Monday	December 2, 2013	Monday
Date of Detailed Public Statement	December 9, 2013	Monday	December 9, 2013	Monday
Date by which Draft Letter of Offer has been filed with SEBI	December 16, 2013	Monday	December 16, 2013	Monday
Last date for a Competitive Bid, if any	December 31, 2013	Tuesday	December 31, 2013	Tuesday
Date of receipt of the comments on Draft Letter of Offer from SEBI	January 7, 2014	Tuesday	March 5, 2014	Wednesday
Identified Date*	January 9, 2014	Thursday	March 7, 2014	Friday
Date by which Letter of Offer will be dispatched to the Shareholders	January 17, 2014	Friday	March 14, 2014	Friday
Last date for Revising the Offer Price / Number of Equity Shares	January 20, 2014	Monday	March 18, 2014	Tuesday
Last Date of announcement containing reasoned recommendation by committee of independent directors of KFCL	January 21, 2014	Tuesday	March 19, 2014	Wednesday
Date of Advertisement announcing the schedule of activities for the open offer, status of statutory & other approvals, status of unfulfilled conditions (if any), Procedure for tendering acceptances etc.	January 23, 2014	Thursday	March 21, 2014	Friday
Date of opening of the Tendering Period	January 24, 2014	Friday	March 24, 2014	Monday
Date of closing of the Tendering Period	February 6, 2014	Thursday	April 7, 2014	Monday
Date by which the acceptance/ rejection would be intimated and the corresponding payment for the acquired shares and/or share certificate for the rejected shares will be dispatched	February 21, 2014	Friday	April 24, 2014	Thursday
Date of post offer advertisement	March 3, 2014	Monday	May 2, 2014	Friday

****“Identified Date” is only for the purpose of determining the shareholders as on such date to whom the letter of offer would be dispatched. It is clarified that all owners (registered or unregistered) of the equity shares of the Target Company (except the Acquirer and Seller who own the shares of the KFCL) are eligible to participate in the Offer any time before the closing of the tendering period.***

Note: Duly Signed Application form and Transfer Deed(s) together with share certificate(s) in case of physical shares and duly signed application form and delivery instruction slip in case of Dematerialisation shares should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to arrive not later than 17:00 hours on or before April 7, 2014

RISK FACTORS

Risk Factors relating to the Proposed Offer

1. In the event of any litigation leading to stay on the Offer or SEBI instructing that the Offer should not be proceeded with, thus the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this Letter of Offer.
2. The Share Purchase Agreement (SPA) dated December 02, 2013 contains a clause to the effect that the SPA is subject to the provisions of the Regulations and in case of non-compliance of any provisions of the Regulations by the Acquirer or the Seller, the SPA shall not be acted upon by the parties.
3. If the Acquirer is unable to make the payment to the shareholders who have accepted the Offer within 10 working days from the date of closure of the tendering period, then SEBI may, if satisfied that the non-receipt of requisite statutory approvals, that may become applicable prior to completion of the Offer, was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 10 working days, as may be specified by SEBI from time to time. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tendered shares and payment of consideration is completed.
4. The transaction is subject to completion risks as would be applicable to similar transactions.

Probable risks involved in associating with the Acquirer

1. The Acquirer expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
2. The Acquirer makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company. Association of the Acquirer with KFCL/Substantial Acquisition of Shares & taking control of KFCL by the Acquirer does not warrant any assurance with respect to the future financial performance of KFCL.
3. Post this Offer, (assuming full acceptance) the Acquirer will have significant control over the Target Company pursuant to Regulation 4 of Regulations.
4. The Acquirer has no prior experience in business areas of the Target Company.
5. The Acquirer also makes no assurances with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.

The indicative risk factors set forth above are in relation to the Offer and not in relation to the present or future business or operations of KFCL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer or in associating with the Acquirer. The shareholders of KFCL are advised to consult their stock broker or investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

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1. DEFINITIONS

The following definitions apply through this document, unless the context requires otherwise:

1.	Acquirer	Dheeraj B. Shah
2.	Book Value per share	Net worth/Number of equity shares issued
3.	BSE	Bombay Stock Exchange Ltd.
4.	Corrigendum	Corrigendum to the Public Announcement/Detailed Public Statement released on March 08, 2014 in The Financial Express, Jansatta and Mumbai Lakshadeep.
5.	DLOO	Draft Letter of Offer
6.	DPS	Detailed Public Statement appeared in the newspapers on December 09, 2013
7.	EOGM/EGM	Extra ordinary General meeting held on February 07, 2014
8.	EPS	Profit after tax/Number of equity shares issued
9.	Form of Acceptance/FOA	Form of Acceptance-cum-Acknowledgement
10.	Identified Date	March 07, 2014
11.	LOO or Letter of Offer or LOF	Offer Document
12.	Manager to the Offer or Merchant Banker	Intensive Fiscal Services Private Limited
13.	N.A.	Not Applicable
14.	Negotiated Price	Rs. 12/- (Rupees Twelve only) per fully paid-up equity share of face value of Rs.10/- each.
15.	Net worth	Equity Share capital plus Reserve & Surplus excluding Revaluation Reserve minus Debit Balance of P&L or Misc. Exp. not written off.
16.	Offer or The Offer	The open offer size has been revised from 21,68,400 equity

		shares of Rs. 10/- each to 60,68,400 equity shares of Rs. 10/- each at an Offer Price of Rs. 13/- (Rupees Thirteen Only) per fully paid up equity share of Rs 10/- each payable in cash, representing 26.17% of post preferential equity shares.
17.	Offer Period	Period from date of SPA till payment of consideration to the equity shareholders who have tendered the shares in the open offer.
18.	Offer Price	The Open offer price has been revised from Rs. 12/- (Rupees Twelve only) per equity share to Rs. 13/- (Rupees Thirteen Only) per share
19.	PAT	Profit After Tax
20.	Persons eligible to participate in the Offer	Registered shareholders of Kamalakshi Finance Corporation Limited and unregistered shareholders who own the equity shares of Kamalakshi Finance Corporation Limited any time prior to the closure of tendering period other than the Parties to the SPA i.e. the Acquirer & the Seller.
21.	Persons not eligible to participate in the Offer	Parties to the Share Purchase Agreement
22.	Public Announcement or "PA"	Announcement of the Open Offer by the Acquirer on December 02, 2013
23.	Post Preferential equity shares	2,31,90,000 equity shares of Rs. 10/- each
24.	Post Preferential equity share capital/issued subscribed and voting capital of the Company	Rs. 23,19,00,000 divided into 2,31,90,000 equity shares of Rs. 10/- each
25.	Pre Preferential equity shares/issued subscribed and voting shares	83,40,000 equity shares of Rs. 10/- each.
26.	Pre Preferential equity share capital/	Rs. 8,34,00,000 divided into 83,40,000 equity shares of Rs. 10/- each.
27.	RBI	Reserve Bank of India
28.	Registrar or Registrar to the Offer	Purva Sharegistry (India) Pvt. Ltd.
29.	Return on Net Worth	(Profit After Tax/Net Worth)*100
30.	SEBI	Securities and Exchange Board of India
31.	SEBI (SAST) Regulations, 2011 or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
32.	SEBI (SAST) Regulations 1997 or Old Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof
33.	SEBI Act	Securities and Exchange Board of India Act, 1992
34.	Seller Promoter	Vector Viniyog Pvt. Ltd.
35.	SPA	Share Purchase Agreement
36.	Stock Exchange or BSE	Bombay Stock Exchange Limited
37.	Target Company or KFCL	Kamalakshi Finance Corporation Limited
38.	Tendering Period	Period within which shareholders may tender their shares in acceptance of an open offer

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF KAMALAKSHI FINANCE CORPORATION 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 OF THE COMPANY WHOSE SHARES/CONTROL HAS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND

DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES HIS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, INTENSIVE FISCAL SERVICES PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 13, 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1. Background of the Offer

3.1.1. This open offer is being made by the Acquirer to the equity shareholders of Kamalakshi Finance Corporation Limited, a company incorporated and duly registered under the Companies Act, 1956, on January 15, 1973 and having its registered office at 306, Dalamal Chambers, Behind Aayakar Bhavan, New Marine Lines, Mumbai, Maharashtra-400020 Tel no.: 022-22074889, Fax no.: 022-22014368, E-mail:kamalakshifinance@gmail.com, Website:www.kamalakshifinance.com pursuant to the Regulation 4 and in compliance with the Regulations. The Acquirer proposes to takeover the management control of KFCL pursuant to the SPA.

3.1.2. The Acquirer hereby makes this Offer to the equity shareholders of the Target Company (other than the parties to the SPA) to acquire up to 60,68,400 equity shares (“Shares”) of the Target Company of face value of Rs.10/- each, representing in aggregate 26.17% of the post preferential equity shares of the Target Company at a price of Rs. 13/- (Rupees Thirteen Only) per fully paid up equity share, payable in Cash subject to the terms and conditions mentioned in the PA, DPS and in the LOO that will be circulated to the shareholders in accordance with Regulation 7(1) of SEBI (SAST) Regulations, 2011, whose names appear on the register of members of the Target Company or beneficiaries on the beneficiary records of the Depository Participant as on the Identified Date i.e. March 7, 2014

3.1.3. The Preferential issue of equity shares to Non Promoter has been approved in the Board Meeting held by the Board of Directors (“Board”) of the Target Company on December 31, 2013 and decided to hold Extra Ordinary General Meeting (EOGM) on February 07, 2014. Thereafter Pursuant to the special resolution passed in the EOGM by the equity shareholders of the Target Company held on February 07, 2014 in terms of provisions of Section 81(1A) of the Companies Act and all the other provisions of applicable laws, 1,50,00,000 equity shares was approved by the shareholders to be issued to Non Promoter at a price of Rs. 13/- (Rupees Thirteen only) per equity share on preferential basis. However 1,48,50,000 shares were allotted pursuant to Board meeting held on. February 17, 2014. The Target Company has received Listing approval from BSE vide their letter dated March 03, 2014. Based on the above the offer size was revised to 60,68,400 equity shares of 10/- each representing 26.17% of the post preferential equity at revised open offer price of Rs.13/- per equity share.

3.1.4. The Acquirer has given an Open Offer of 60,68,400 equity shares representing 26.17% of post preferential equity shares. The calculation of Open offer shares are as follows:

Sr No	Particulars	No of shares
1	Existing Shares	83,40,000
2	New Preferential issue proposed and approved in Board meeting held on December 31, 2013 and in EOGM held on February 07, 2014	1,48,50,000
3	Post Preferential equity shares (1+2)	2,31,90,000
4	Open Offer of 26.17% on post preferential equity shares	60,68,400

3.1.5. Dheeraj B. Shah is the only Acquirer in this open offer in terms of Regulation 2(1)(a) of the Regulations and there are no other Persons acting in concert (PACs’) with the Acquirer in respect of this Offer within the meaning of Regulation 2(1)(q) of the Regulations.

3.1.6. The Acquirer intends to acquire shares from the Seller via Share Purchase Agreement (SPA) dated December 02, 2013 at a price of Rs. 12/- (Rupees Twelve only), details of which are as follows:

Seller			Acquirer		
Name of the Seller	No. of	% w.r.t. to	Name of the Acquirer	No. of	% w.r.t. to

	Equity Shares	post preferential equity shares		Equity Shares	post preferential equity shares
Vector Viniyog Private Limited	37,260	0.16	Dheeraj B. Shah	37,260	0.16
Total	37,260	0.16	Total	37,260	0.16

3.1.7. The Acquirer has entered into a Share Purchase Agreement (SPA) on December 02, 2013 with the Seller of the Target Company to acquire 37,260 (hereinafter referred to as “Said Shares”) fully paid up equity shares of Rs. 10/- each, representing 0.16% of the post preferential equity shares of the Target Company at a price of Rs. 12/- (Rupees Twelve only) per share aggregating to Rs. 4,47,120 (Four Lakhs Forty Seven Thousand One Hundred Twenty Only).

3.1.8. By the above proposed acquisition pursuant to SPA, the Acquirer will have control over the management of the Target Company, which resulted in triggering of Regulations.

3.1.9. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.1.10. The salient features of the SPA are as under:-

- The Seller intends to sell 37,260 fully paid up equity shares of Rs. 10/- each and the Acquirer intends to buy such shares held by the seller.
- The negotiated price for the purpose of this agreement is Rs. 12/- only (Rupees Twelve Only) per fully paid up equity shares aggregating to Rs. 4,47,120 (Four Lakhs Forty Seven Thousand One Hundred Twenty Only) which is arrived on the basis of negotiation.
- The Seller shall provide and shall cause the Target Company to provide to the Acquirer or its authorized representatives and advisers, full access to the Target Company its facilities, books, records and documents and provide all required materials, data and information necessary or as the Acquirer may require to investigate any facts or matters for conducting due diligence of any facts, matters, information relating to the business, affairs operations or prospects of the Target Company.
- In the event, if the Acquirer fails to comply with the applicable provisions of the Takeover Code relating to the Public Offer, the SPA shall stand terminated and shall be null and void.

3.1.11. Apart from 37,260 (Thirty Seven Thousand Two Hundred and Sixty Only) fully paid up equity shares which the Acquirer intends to purchase pursuant to SPA, the Acquirer does not hold any equity shares/ voting rights of KFCL and hence the provisions of Chapter V of SEBI (SAST) Regulations, 2011 & Chapter II of SEBI (SAST) Regulations, 1997 are not applicable.

3.1.12. As per stock exchange filing made on December 31, 2013, Vector Viniyog Pvt. Ltd is the only promoter of the Target Company as per the definition in SEBI (SAST) Regulations, 2011.

3.1.13. As on the date of this LOO, the Acquirer and Sheetal D. Shah (wife of Acquirer) are the directors of the Target Company representing the Acquirer. However during the offer period, no person representing the Acquirer would be appointed on the Board of Target Company in accordance with Regulation 24(1) of Regulations.

3.1.14. The Acquirer, the Seller and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued U/s 11B of SEBI Act, 1992 or under any other Regulation under the SEBI Act, 1992.

3.1.15. There is no other consideration/compensation, in cash or kind, whether directly or indirectly is being given to the Seller apart from the consideration as stated in Para 3.1.4 above.

3.1.16. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspapers where the DPS of the Offer was published i.e. on March 19, 2014

3.2. Details of the proposed Offer

3.2.1. The Acquirer has made a Public Announcement on December 02, 2013, released Detailed Public Statement on December 09, 2013 in accordance with the Regulation 15, Corrigendum to DPS on March 08, 2014 and pursuant to Regulation 4 of SEBI (SAST) Regulations, 2011. DPS was released in the following

newspapers:

Publication	Language	Editions
The Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Lakshadeep	Marathi	Mumbai-Edition (Place where the Registered office & Stock Exchange is situated)

The Public Announcement, Detailed Public Statement, Draft Letter Of Offer, Corrigendum, Letter of Offer are also available on the SEBI website at www.sebi.gov.in

- 3.2.2. Pursuant to the signing of SPA, the Acquirer is making this Open Offer under Regulation 4 of the Regulations, to acquire 60,68,400 equity shares of Rs. 10/- each representing 26.17% of the post preferential equity shares of the Target Company at a price of Rs. 13/- (Rupees Thirteen Only) per fully paid up equity share ("Offer Price") payable in Cash (in terms of Regulation 9(1)(a)) subject to terms and conditions mentioned hereinafter.
- 3.2.3. This Offer is being made to all the shareholders of the Target Company (other than the parties to the SPA) is in accordance with Regulation 7(6) of the Regulations and is not conditional upon any minimum level of acceptance. The Acquirer will acquire all the shares of the Target Company that are validly tendered as per the terms of the Offer up to a maximum of 60,68,400 equity shares.
- 3.2.4. The Offer is not a competitive offer.
- 3.2.5. The Offer is subject to the terms and conditions set out herein and in the Final Letter of Offer that will be sent to the shareholders of the Target Company.
- 3.2.6. Also the Acquirer has not acquired any shares of the Target Company after the date of Public Announcement till the date of this LOO.
- 3.2.7. This offer is not subject to any statutory and regulatory approvals; however, if any statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals (as mentioned in Para No. 7.2 of this LOO).
- 3.2.8. As on the date of PA, DPS & LOO in accordance, the Manager to the Open Offer i.e. **Intensive Fiscal Services Private Limited** does not hold any shares in the Target Company in accordance with Regulation 27 (6) of Regulations. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as the Manager to the Open Offer till the expiry of 15 days from the date of closure of Open Offer.
- 3.2.9. Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of shares through SPA, the Acquirer will hold 61,05,660 shares constituting 26.33% of post preferential equity shares of the Target Company. In accordance with the Listing Agreement, the present Offer after considering the SPA and Open Offer shares will not result in the public shareholding of the Target Company falling below the minimum level required.

3.3. Object of the Acquisition/Offer

- 3.3.1. The Offer is being made pursuant to Share Purchase Agreement between the Acquirer and the Seller as described in Para 3.1.4 above whereby the Acquirer intends to acquire 0.16% of the post preferential equity shares from the Seller.
- 3.3.2. The Open Offer is being made to all the public shareholders of KFCL for acquiring 26.17% of the post preferential equity shares of the Target Company in accordance with Regulation 4 of the Regulations. After the completion of the proposed Open Offer (assuming full acceptances), the Acquirer will achieve substantial acquisition of equity shares and voting rights accompanied with effective management control over the Target Company.
- 3.3.3. The prime object of the Offer is to change the control and management of the Target Company. Dheeraj B. Shah is the only Acquirer for the proposed Open Offer. The Acquirer is yet to finalize on how it would implement the future plans. It also aims to expand the business horizon under corporate status for diversifying into different activities subject to approval of the shareholders. The Acquirers reserve the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be affected will be in accordance with the laws applicable.

- 3.3.4. As on the date of this LOO, the Acquirer has not declared an intention in the DPS and in the LOO to alienate any material assets of the Target Company whether by way of sale, lease, encumbrance or otherwise outside the ordinary course of business, the Acquirer, where he has acquired control over the Target Company, shall be debarred from causing such alienation for a period of two years after the offer period. However, in the event the Target Company required to so alienate assets despite the intention not having been expressed by the Acquirer in the DPS and LOO, such alienation shall require a special resolution passed by shareholders of the Target Company, by way of a postal ballot and the notice for such postal ballot shall inter alia contain reasons as to why such alienation is necessary.

4. BACKGROUND OF THE ACQUIRER

- 4.1. Dheeraj B. Shah residing at 23/A-12, Akash CHS, Jalawal Nagar, Ashok Nagar, Kandivali (E), Mumbai-400101, Maharashtra, Tel No.9920619131. Dheeraj B. Shah is the only Acquirer in this Open offer in terms of Regulation 2(1)(a) of the SEBI (SAST) Regulations, 2011.
- 4.2. The areas of business and relevant experience of the Acquirer is more than 15 years in Information Technology & Finance department of various companies.
- 4.3. There is no PAC in this open offer
- 4.4. Jayesh D.Darji (Membership No. 107748), Partner of TMG & Associates, Chartered Accountants having its Office at A/5, Sai Shakti Coop. Hsg. Soc. Ltd., Harishankar Joshi Road, Near Rly. Station, Dahisar (East), Mumbai - 400 068. Tel (O): 022-28280324 (R): 022-28979063 Email : jayeshca@hotmail.com has certified vide certificate dated February 12, 2014 that the Net worth of Dheeraj B. Shah is Rs. 6,92,03,874/- (Rupees Six Crore Ninety Two Lakhs Three Thousand Eight Hundred and Seventy Four Only) as on February 12, 2014.
- 4.5. The Acquirer is not forming part of the present Promoter Group of the Target Company.
- 4.6. As on the date of this LOO, following are the companies in which the Acquirer holds position on the Board of Directors :

Sr. No.	Name of the Companies	Designation	Director Since
1.	Atman Infotech Pvt.Ltd	Director	February 24,2011
2.	Essar (India) Ltd.	Managing Director	March 18,2011
3.	Kamalakshi Finance Corporation	Additional Director	October 01,2013

- 4.7. As on date of this LOO, the Acquirer does not hold any shares of the Target Company except as mentioned above in Para 3.1.4 and hence the provisions of Chapter V of Regulations are not applicable
- 4.8. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the 'SEBI Act') or any other Regulations made under the SEBI Act.

5. BACKGROUND OF THE TARGET COMPANY

- 5.1. The Target Company was incorporated on January 15, 1973 under the provisions of the Companies Act, 1956 as private limited company under name & style of "Kamalakshi Finance Corporation Private Limited". Thereafter the company was converted into public limited company under name & style of "Kamlakshi Finance Corporation Limited" & received the fresh certificate of incorporation on December 11, 1973. The registered Office of the Target Company is 306, Dalamal Chambers, Behind Aayakar Bhavan, New Marine Lines, Mumbai, Maharashtra-400020 Tel no.: 022-22074889, Fax no.: 022-22014368, E-mail: kamalakshifinance@gmail.com, Website:www.kamalakshifinance.com .
- 5.2. The Main Objects clause of KFCL as per Memorandum of Association is as under:
- 5.2.1. To carry on the business of an Investment Company and to buy, Sell, Underwrite, Invest in and acquire and hold shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued by any company, Government, Public body or authority, municipal, local or otherwise, corporate body, firm or person.
- 5.2.2. To act as financiers, brokers, commission agents, money lenders, underwriters, guarantors, sureties or trustees.

5.3. As on the date of PA, DPS and LOO, Promoters holding in the Target Company is as follows:

Sr. No.	Name of the Promoter	No. of Shares	% w.r.t. Total Post Preferential shares
1.	Vector Viniyog Pvt. Ltd	37,260	0.16
	Total	37,260	0.16

5.4. As on the date of this LOO, the authorized share capital of the Target Company is Rs. 25,25,00,000 (Rupees Twenty Five Crores Twenty Five Lakhs Only) divided into 2,52,50,000 (Two Crore Fifty Two Lakhs Fifty Thousand Only) equity shares of Rs 10/- (Rupees Ten Only) each. The issued, subscribed, Paid up capital, voting capital and post preferential share capital of the Target Company is Rs. 23,19,00,000 (Rupees Twenty Three Crore Nineteen Lakhs only) divided into 2,31,90,000 (Two Crore Thirty One Lakhs Ninety Thousand Only) equity shares of Rs 10/- (Rupees Ten Only) each. The pre preferential shares capital of the Target Company is Rs. 8,34,00,000 (Rupees Eight crores thirty four lakhs only) divided into 83,40,000 equity shares of Rs. 10/- each fully paid up.

5.5. The entire issued, subscribed, paid up and voting equity capital of the Target Company is listed on BSE. The scrip code on BSE is 501314 & Scrip ID is ZKAMALAK. The trading in equity shares of the Target Company was suspended by BSE w.e.f December 21, 2004 due to non compliance of listing agreement. Further, the Target Company received an In Principle approval from BSE for revocation of suspension in trading of equity shares of the Target Company vide its letter dated February 02, 2012. Further the Target Company received a letter for revocation of suspension in equity shares w.e.f April 16, 2012 from BSE via notice dated April 10, 2012.

5.6. As on the date of this LOO, there are no partly paid-up, no forfeited shares & whereas, all the 82,90,000 equity shares allotted on preferential basis are under lock-in period till December 08, 2014 and remaining 1,48,50,000 equity shares are under lock would be locked in from the date of receiving trading approval from BSE. There are no outstanding convertible instruments in the nature of warrants/fully convertible debentures/partly convertible debentures etc. which are convertible into equity at any later date.

5.7. Adjudication order no AK/AO-156/2013 dated September 20, 2013 has been passed by SEBI against the Target Company for non compliance of Regulation 8(3) of old regulations.

5.8. Adjudication order no AK/AO-157-160/2013 dated September 20, 2013 against Laxmikant J. Tanna, Tushar T. Tanna, Deepak K. Tanna and Trisect Investments & Trading Pvt Ltd. (erstwhile promoter of the Target Company) for non compliance of Regulation 30(1) & 30(2) of Regulations.

5.9. As on the date of this LOO, the share capital of the Target Company is as given under:

Paid-up Equity Shres	No. of Shares/Voting Rights	% of Shares/Voting Rights
Fully Paid-up Equity shares	2,31,90,000	100%
Partly Paid-up Equity shares	NIL	--
Total paid-up Equity shares	2,31,90,000	100%
Total Voting Rights in the Company	2,31,90,000	100%

5.10. The Current capital structure of the Target Company since inception is as under:

Date of Allotment/Issue	No and % of Shares issued		Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allotees	Status of Compliance with SEBI (SAST) Regulations, 1997 or 2011
	No.	%				
January 15, 1973	2	0.000	20	Subscription to MOA	Subscribers to MOA	N.A.
August 17, 1973	68	0.000	700	Private	Directors &	N.A.

				Placement	Promoters	
April 01, 1976	49,930	0.22	5,00,000	Public Issue	Directors and Public	N.A.
November 09, 2013	82,90,000	35.75	8,34,00,000	Preferential Issue	Public shareholders	Complied with
February 17, 2014	1,48,50,000	64.03	23,19,00,000	Preferential Issue	Public shareholders	Complied with
Total	2,31,90,000	100				

5.11. The composition of the Board of Directors of KFCL as on the date of LOO is as follows:-

Name of the Director	Designation	Qualification	Experience	Residential Address	Date of Appointment.	DIN
Arvindkumar Sadashankar Upadhyay	Director	B.A.	8 years in the field of Finance	139/18, Bazar Gate Street, Fort, Mumbai, 400001, Maharashtra, India.	October 14, 2011	03598823
Suneel Kumar Upadhyay	Director	B.A.	5 years in the field of Administration	162-C, Motilal Nehru Nagar,, Wadala, Near Antop Hill Church, Mumbai, 400037, Maharashtra, India.	November 11, 2011	03626683
Chandresh Kapilmuni Upadhyay	Director	B.A.	5 years in the field of Finance	139/18, Bazar Gate Street, Fort, Mumbai, 400001, Maharashtra, India.	May 05, 2012	02379628
Dheeraj B. Shah	Additional Director	B.COM and PGDCA	15 years in IT and Finance Department of various companies	23/A-12, Akash CHS, Jalawal Nagar, Ashok Nagar, Kandivali (E), Mumbai-400101, Maharashtra.	October 01, 2013	02072433
Sheetal D. Shah	Additional Director	LLB	7 years in Counselling & personality development	23/A-12, Akash CHS, Jalawal Nagar, Ashok Nagar, Kandivali (E), Mumbai-400101, Maharashtra.	October 01, 2013	02767025

5.12. There has been no merger / de-merger, spin-off during the past three years in KFCL.

5.13. The Brief Financials of KFCL are as under:-

				(Fig in Lakhs)
Profit & Loss Statement	Period ended	Period ended	Period ended	Six Months ended
	31.03.2011	31.03.2012	31.03.2013	30.09.2013
	(Audited)	(Audited)	(Audited)	(unaudited but Certified)
Income from operations	1.63	21.93	11.94	3.5
Other Income	-	0.05	-	0
Total Income	1.63	21.98	11.94	3.5
Total Expenditure	0.35	20.58	11.32	3.28
Profit/ Loss before Depreciation, Interest and Tax	1.28	1.40	0.62	0.21
Depreciation	-	-	-	-

Profit (Loss) before Tax and Interest	1.28	1.40	0.62	0.21
Interest	-	-	-	-
Profit before Tax	1.28	1.40	0.62	0.21
Deferred Tax	-	-		-
Provision for tax	0.24	0.43	0.28	0.05
Profit (Loss) after Tax (PAT)	1.04	0.97	0.34	0.16
				(Fig in Lakhs)
Balance Sheet Statement	Period ended	Period ended	Period ended	Six Months ended
	31.03.2011	31.03.2012	31.03.2013	30.09.2013
	(Audited)	(Audited)	(Audited)	(unaudited but Certified)
Sources of Funds				
Paid up Share Capital	5.00	5.00	5.00	5.00
Reserves and Surplus(excluding Revaluation Reserve, if any)	(0.12)	0.56	0.61	0.77
Loans:				
Net worth	4.88	5.56	5.61	5.77
Current Liabilities	0.45	16.03	10.41	2.34
Total	5.34	21.59	16.02	8.11
Total Source of funds				
Application of Funds				
Non Current Assets	-	-	-	0.04
Current Assets	5.34	21.59	16.02	8.07
Total	5.34	21.59	16.02	8.11
				(Fig in Lakhs)
Other Financial Data	Period ended	Period ended	Period ended	Six Months ended
	31.03.2011	31.03.2012	31.03.2013	30.09.2013
	(Audited)	(Audited)	(Audited)	(unaudited but Certified)
Total Income	1.63	21.98	11.94	3.49
Profit/ (Loss) After Tax	1.04	0.97	0.34	0.16
Equity Share Capital	5.00	5.00	5.00	5.00
Earnings Per Share (Rupees)	2.08	1.94	0.67	0.32
Net worth	4.88	5.56	5.61	5.77
Return on Net worth (%)	21.25%	17.41%	5.99%	2.80%
Book Value Per Share (Rupees)	9.77	11.13	11.22	11.54

(Source: Annual Report for the financial year ended March 31, 2011, March 31, 2012, March 31, 2013 & as certified by Rajesh Soni (Membership no 133240), Partner of R.Soni & Co, Chartered Accountants, having its registered office at 46, Mulji Bldg, 2nd Floor, Above Bank of Baroda,185/187, Princess Street,Mumbai-400002 E-mail : carrsoni@gmail.com/info@rsonica.com Website:www.rsonica.com vide its certificate dated November 15, 2013 certifying the brief financials of the Target Company for quarter ended September 30, 2013)

5.14. Pre and Post-Offer shareholding pattern of the Target Company after the completion of the Offer Formalities (assuming full acceptances) is as per the following table:

Shareholders' Category	Shareholding & voting rights prior to the agreement / acquisition & offer (A)			Shares / voting rights agreed to be acquired which triggered off the Regulations (B)			Shares/Voting rights to be acquired in open offer (Assuming full acceptances) (C)		Shareholding/Voting rights after the acquisition and open offer i.e. (A) + (B) + (C) = (D)	
	No	% of pre preferential shares	% of post preferential shares	No	% of pre preferential shares	% of post preferential shares	No	% of post preferential shares	No	% of post preferential shares
(1) Promoter										
a) Party to Agreement (Seller)										
Vector Viniyog Pvt. Ltd	37,260	0.45%	0.16%	(37,260)	(0.45%)	(0.16%)	-	-	-	-
Total (1) (a)	37,260	0.45%	0.16%	(37,260)	(0.45%)	(0.16%)	-	-	-	-
(2) Acquirers										
Dheeraj B. Shah	-	-	-	37,260	0.45%	0.16%	6,068,400	26.17%	6,105,660	26.33%
Total (2)				37,260	0.45%	0.16%	6,068,400	26.17%	6,105,660	26.33%
(3) Parties to agreement other than (1) (a) & (2)	-	-	-	-	-	-			-	-
Total (3)	-	-	-	-	-	-			-	-
(4) Public (other than parties to agreement, Acquirer)										
a) FIs/MFs/FIIs/Banks										
b) Others	8,302,740	99.55%	35.80%				6,068,400	(26.17%)	17,084,340	73.67%
Total (4) (a+b)	8,302,740	99.55%	35.80%						17,084,340	73.67%
Grand Total (1+2+3+4)	8,340,000	100.00 %	35.96%						23,190,000	100.00%

5.15. As per the Share Holding Pattern filed with BSE as on December 31, 2013 & available information, the number of shareholders in KFCL in public category as on date is 100 (One Hundred Only).

5.16. Status of Corporate Governance compliances by KFCL: - Pursuant to issue of equity preferential shares its present paid up share capital is Rs. 2,31,90,000/- (Rupees Two Crores Thirty One Lakhs Ninety Thousand only). Thus the provisions under Clause 49 of the Listing Agreement are applicable to the Target Company

and they have complied with it. **As per Circular No SEBI/CFD/DIL/CG/1/2004/12/10** dated October 29, 2004, issued by SEBI, the provisions under Clause 49 of the Listing Agreement is applicable to the Target Company if the paid up Capital is more than Rs. 300 Lakhs.

5.17. There are no litigation matters pending by and against the Target Company as on date of the PA, DPS and this LOO.

5.18. Details of Compliance Officer

Mr. Arvindkumar Upadhyay

Address: 139/18, Bazar Gate Street,

Fort, Mumbai, 400001,

Maharashtra, India

Tel No: - 09833279962,

Source: (All the data about Target Company is provided/certified by Kamalakshi Finance Corporation Limited)

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1. The shares of the Target Company are listed at BSE. The scrip code on BSE is 501314 and Scrip ID is ZKAMALAK.

6.1.2. The annualized trading turnover of the equity shares of the Target Company during twelve calendar months preceding the month of PA (November 2012-October 2013) on the Stock exchange on which the equity shares of the Target Company are listed is detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of PA	Total No. of equity shares listed	Annualized trading turnover (as % of total number of listed shares)
Bombay Stock Exchange Ltd.	0	2,31,90,000**	00.00

**Trading approval is pending

Based on the above information, the shares of the Target Company are infrequently traded on BSE within the meaning of Regulation 2(1) (j) of the SEBI (SAST) Regulations, 2011.

6.1.3. Therefore, the Offer Price of Rs. 13.00/- (Rupees Thirteen Only) per share is justified in terms of Regulation 8(2)(e) and the same has been determined after considering the following facts:

a)	Highest negotiated price per share for acquisition under the agreement or SPA	Rs. 12/-	
b)	The volume-weighted average price paid or payable for acquisitions, whether by the Acquirer or by its Directors by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of public announcement;	N.A.	
c)	The highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the Twenty-six weeks immediately preceding the date of the Public announcement;	N.A.	
d)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period	N.A. (As Shares are infrequently traded)	
e)	Other Parameters	For year ended March 31, 2013 (Audited)	For year ended September 30, 2013 (unaudited but certified)
	Profit after Tax (Rs. in Lakhs)	0.34	0.16

	Net worth (Fig in Lakhs)	5.61	5.77
	Return on Net worth (%)	5.99	2.79
	Book Value Per Share (Rupees)	11.22	11.54
	Earnings per Share (EPS)(Rupees)	0.67	0.32

(Source: Annual Report for the financial year ended March 31, 2013 & as certified by Rajesh Soni (Membership no 133240), Partner of R. Soni & Co, Chartered Accountants, having its registered office at 46, Mulji Bldg, 2nd Floor, above Bank of Baroda, 185/187, Princess Street, Mumbai-400002 E-mail : carrsoni@gmail.com/ info@rsonica.com Website: www.rsonica.com vide its certificate dated November 15, 2013 certifying the brief financials of the Target Company for quarter ended September 30, 2013)

- 6.1.4. Based on 6.1.1, 6.1.2 & 6.1.3, the Manager to the Offer confirm that the offer price of Rs. 13.00/- (Rupees Thirteen Only) per equity share is justified in terms of Regulation 8(2)(e) of SEBI (SAST) Regulations, 2011 and is based on the last Audited and Certified financial data.
- 6.1.5. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 6.1.6. No adjustment has been carried out in the offer price as there were no corporate actions as on date of this LOO.
- 6.1.7. The Acquirer shall disclose during the tendering period every acquisition made by it of any equity shares of the Target Company to the stock exchange and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6).
- 6.1.8. Irrespective of whether a competing offer has been made, the Acquirer may make upward revisions to the offer price, and subject to the other provisions of these regulations, to the number of shares sought to be acquired under the open offer, at any time prior to the commencement of the last three working days of opening of the tendering period i.e. up to March 18, 2014
- 6.1.9. If the Acquirer acquires or agrees to acquire whether by itself any shares or voting rights in the target company during the offer period, whether by subscription or purchase, at a price higher than the offer price, the offer price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of Regulations. Provided that no such acquisition shall be made after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period. In case of revision in the Offer price, shareholders would be notified.
- 6.1.10. If the Acquirer acquires equity shares of the Target Company during the period of twenty-six 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 shares have been accepted in Offer within sixty days from the date of such acquisition in terms of Regulation 8(10) of Regulations. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, 2011 or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.2. Financial Arrangements

- 6.2.1. Assuming full acceptance, the total requirement of funds for the Open Offer would be Rs. 7,88,89,200/- (Rupees Seven Crore Eighty Eight Lakhs Eighty Nine Thousand Two Hundred only). The Acquirer has already made firm arrangements for the financial resources required to implement the Open Offer in full.
- 6.2.2. In accordance with Regulation 17 of the Regulations, the Acquirer has opened an Escrow Account under the name and title of "KAMALAKSHI FINANCE CORP LTD ESCROW A/C -00600350120883" with HDFC Bank Limited – Mumbai ("Escrow Bank") and made a deposit of Rs. 2,60,20,800/- (Rupees Two Crores Sixty Lakhs Twenty Thousand Eight Hundred only) being more than 25% of the total consideration payable in accordance with the SEBI (SAST) Regulations, 2011 and fixed deposit of equivalent amount has been created with HDFC Bank Ltd.
- 6.2.3. In term of an agreement dated December 02, 2013 amongst the Acquirer and the Manager to the Offer and the Escrow Bank ("Escrow Agreement"), Manager to the Offer have been solely authorized to operate and to realize the value lying in the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.

- 6.2.4. The Acquirer has undertaken that additional fund if required will be arranged from friends and relatives in order to fund the escrow account if 100% open offer shares have been offered.
- 6.2.5. As certified Jayesh D. Darji (Membership No. 107748), Partner of TMG & Associates, Chartered Accountants vide certificate dated December 05, 2013, the Acquirer has adequate financial resources for meeting its obligations under the Offer.
- 6.2.6. Jayesh D. Darji (Membership No. 107748), Partner of TMG & Associates, Chartered Accountants having its Office at A/5, Sai Shakti Coop. Hsg. Soc. Ltd., Harishankar Joshi Road, Near Rly. Station, Dahisar (East), Mumbai - 400 068.Tel (O) : 022-28280324 (R) : 022-28979063 Email : jayeshca@hotmail.com has certified vide certificate dated February 12, 2014 that the Net worth of Dheeraj B. Shah is Rs. 6,92,03,874/- (Rupees Six Crore Ninety Two Lakhs Three Thousand Eight Hundred and Seventy Four Only) as on February 12, 2014.
- 6.2.7. Based on the above certificate and undertaking given by the Acquirer as per Para 6.2.4, the Manager to the offer, Intensive Fiscal Services Private Limited confirms that the Acquirer has adequate resources to meet the financial requirement of the Offer in terms of Regulation 25(1), 27(1) (a) & (b) of the SEBI (SAST) Regulations, 2011. The Acquirer has made firm arrangement for the resources required to complete the Offer in accordance with the SEBI (SAST) Regulations, 2011. No borrowing from any Bank/ Financial Institution is being specifically made for this purpose. However if required, the Acquirer may borrow from friends and relatives.
- 6.2.8. In case of revision in the Offer Price, the Acquirer will further make Demand Deposit with the bank of difference amount between previous Offer fund requirements and revised Offer fund requirements to ensure compliance with Regulation 17(2) & 18(5) (a) of the SEBI (SAST) Regulations, 2011.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Persons eligible to participate in the Offer:-

Registered shareholders of KFCL whose name appears on the register of members of the Target Company or beneficiaries on the beneficiary records of the Depository Participant as on the Identified date & unregistered shareholders who own the equity shares of KFCL any time prior to the date of Closure of the Offer other than the parties to the SPA i.e. the Acquirer and the Seller.

7.2. Statutory Approvals

- 7.2.1. As on the date of this LOO, to the best of our knowledge and belief of the Acquirer, there are no statutory approvals required for the acquisition of equity shares to be tendered pursuant to this Offer. If any statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011.
- 7.2.2. In case the Acquirer is unable to make the payment to the shareholders who have accepted the open offer within such period owing to non-receipt of statutory approvals required by the Acquirer, SEBI may, where it is satisfied that such non-receipt was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant extension of time in terms of Regulation 18(11) Regulations for making payments, subject to the Acquirer agreeing to pay interest to the shareholders for the delay at such rate as may be specified.
- 7.2.3. If the Acquirer fail to obtain the requisite approvals in time due to willful default or neglect or inaction or non action on his part, the amount lying as the demand deposit kept separately for the open offer shall be forfeited in the manner provided in Regulation 17(9) & 17(10)(e) of SEBI(SAST) Regulations.
- 7.2.4. No approvals are required from Financial Institutions/Banks for the Offer. No other statutory approvals are required for the Acquisition of shares under this Open Offer.
- 7.2.5. The Acquirer shall complete all procedures relating to the Offer within a period of 10 working days from the date of closing of the tendering Period.
- 7.2.6. The Acquirer shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the offer or if the offer is withdrawn pursuant to Regulation 23, the same would be communicated within two working days by an announcement in the same newspapers in which the Detailed Public State ment was appeared.
- 7.2.7. The Acquirer will ensure compliance with regulation 18(11) of Regulations with regard to RBI approval under FEMA Regulations for the shares tendered by non-resident shareholders.

7.3. Others

- 7.3.1. Accidental omission to dispatch the LOF to any member entitled to the Open Offer or non receipt of the LOF by any member entitled to the Open Offer shall not invalidate the Open Offer in any manner whatsoever. The

Offer is subject to the terms and conditions set out herein and in the LOF that would be sent to the shareholders of KFCL as on the Identified date.

- 7.3.2. The Letter of offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance cum Acknowledgement (the “Form of Acceptance”, or the “FOA”), and Transfer Deed (TD) will be dispatched to all the shareholders, (other than the parties of the SPA) whose names appear on the register of members of the Target Company or beneficiaries on the beneficiary records of the Depository Participant at the close of business hours on (the “Identified Date”). A copy of the Letter of Offer (including Form of Acceptance cum acknowledgement) will be available on SEBI’s website (<http://www.sebi.gov.in>) during the period the Offer is open and shareholders can also apply by downloading such forms from the website.
- 7.3.3. Unaccepted Share/ Shares Certificates, Share Transfer deed/delivery instruction slip and other documents, if any, will be returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.
- 7.3.4. Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders/electronic Clearing System (ECS) and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.
- 7.3.5. Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1. The Acquirer has appointed **Purva shareregistry India Pvt. Ltd.** as Registrar to the Open offer (“Registrar”).
- 8.2. The shareholders who wish to accept the offer and tender their shares pursuant to this Offer will be required to send their share certificate(s), transfer deeds/delivery instructions slip, duly filled Form of Acceptance cum-Acknowledgement and such other documents as may be specified in the Letter of Offer to the Registrar to the Offer as mentioned below either by Hand Delivery or by Registered Post/Courier on or before the date of Closure of the tendering period i.e. April 7, 2014 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.
- 8.3. The documents can be tendered at the centre given below between 10:00 hours to 17:00 hours from Monday to Friday and from 10:00 hours to 14:00 hours on Saturday. The centre will be closed on Sundays and Public holidays.

Contact Person	Address	Tel. No.	Fax No.	E-mail ID
Mr. V B Shah	Purva Shareregistry (India) Pvt. Ltd. 9 Shiv Shakti Ind. Estt., J R Boricha Marg, Lower Parel (E), Mumbai 400 011	022 2301 6761	022-2301 2517	busicomp@vsnl.com

Neither the Share Certificate(s) nor Transfer Deed(s) nor the Form of Acceptance should be sent to the Seller or the Acquirer or the Target Company or the Manager to the Offer. The delivery made by Registered Post would be received on all days except Sundays and Public Holidays.

- 8.4. **Shareholders should send all the relevant documents mentioned below**
Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed:
- a) **For Equity Shares held in Physical Form:**
- (i) **Registered shareholders should enclose:**
- ✓ Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
 - ✓ Original share Certificates
 - ✓ Valid share transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.
In case of non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.
- (ii) **Unregistered owners should enclose:**
- ✓ Send to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers and Folio Number.
 - ✓ Original share Certificate(s)

- ✓ Broker contract note.
 - ✓ Valid share transfer form(s).
- The details of the buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed.
- All other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders.
- Notwithstanding that the signature(s) of the transferor(s) has/have been attested, 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 shares are liable to be rejected under the Offer even if the Offer has been accepted by bonafide owner of such shares.

b) For Equity Shares held in Demat Form:

Beneficial Owners should enclose:

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository
- **Photocopy of the delivery instruction** in “Off-Market” mode or counterfoil of the delivery instruction in “Off-Market” mode, duly acknowledged by DP in favour of the special depository account.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance
- A special depository account has been opened, details thereof are as under:

Depository Name	Central Depository Services (India) Limited (CDSL)
DP Name	R R S SHARES & STOCK BROKERS PRIVATE LIMITED
Account Name	PSIPL ESCROW A/C KAMALAKSHI OPEN OFFER
DP ID Number	12029000
Beneficiary Account Number	00036099

Shareholders having their beneficiary account with National Securities Depository Limited (NSDL) have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account with CDSL.

In case of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, it shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

- 8.5. In case of (a) shareholders who have not received the Letter of Offer/FOA, (b) unregistered shareholders and (c) owner of the shares who have sent the shares to the Target Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate/original letter of allotment and valid share transfer deeds (one per folio)/delivery instruction slip, duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with the Target Company), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, so as to reach the Registrar on or before 5:00 p.m. up to the date of closure of this tendering period i.e. April 7, 2014
- 8.6. Such shareholders can also obtain the Letter of Offer from the Registrar to the Offer by giving an application in writing clearly marking the envelope “KFCL LOF”.
- 8.7. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to)
- Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired.
 - Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s)/delivery instruction slip.
 - No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
 - In case of companies, the necessary certified corporate authorizations (including board and/ or general

meeting resolutions).

- 8.8. The share certificate(s), share transfer form/delivery instruction slip, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer. They should not be sent to the Manager to the Offer or the Acquirer or the Target Company. The above-mentioned documents can be sent by hand delivery on all days except Sundays and public holidays.
- 8.9. Shareholders of the Target Company who have sent their equity shares for transfer should submit the Form of Acceptance duly completed and signed, copy of the letter to Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form.
- 8.10. The application should be signed by all the shareholders as per the registration details available with the Target Company and should be sent to the Registrar to the Offer in an envelope clearly marked **'KFCL OPEN OFFER'**.

Non-Resident shareholders and Overseas Corporate Bodies, while tendering their equity shares under the Offer, should submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire/sell the equity shares of the Target Company. In case the previous RBI Approvals are not submitted, the Acquirer reserves the right to reject such equity shares tendered. While tendering the shares under the Offer, Non resident shareholders will also be required to submit a Tax Clearance Certificate from Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

As per the provisions of Section 196(D1)2 of the Income Tax Act, 1961, no deduction of tax at source shall 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 payable to Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act, 1961.

- 8.11. In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to shareholders, subject to the Acquirer agreeing to pay interest for the delayed period, as directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.
- 8.12. The intimation of returned shares to the shareholders will be at the address as per the records of the Target Company.
- 8.13. For those shareholders, who have opted for physical mode of payment and shareholders whose payment consideration is not credited by electronic mode due to technical error or incomplete/ incorrect bank account details, payment consideration will be made by crossed account payee Cheques/Demand Drafts. Such considerations in excess of Rs. 1500/- or unaccepted Share Certificate(s), transfer deed(s)/delivery instruction slip and other documents, if any, will be returned by registered post/speed post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder/unregistered owner. The Acquirers is required to deduct tax at source, as may be applicable. All dispatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.
- 8.14. The payment consideration for shares accepted under the Offer may be made through Electronic Clearing Services (ECS), Direct Credit ('DC') or Real Time Gross Settlement ('RTGS') wherever applicable and send by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk and would made available at specified centres where clearing houses are managed by the Reserve Bank of India or through warrants/ Demand Drafts. Shareholders who opt for receiving consideration through ECS/RTGS/DC are requested to give the authorization for ECS/RTGS/DC in the Form of Acceptance cum Acknowledgment and provide the Indian Financial System Code (IFSC) and enclose a photocopy of cheque/ along with the Form of Acceptance cum Acknowledgment
- 8.15. Shareholders who opt for receiving consideration through ECS/RTGS/DC are requested to give the authorization for ECS/RTGS/DC in the Form of Acceptance cum Acknowledgment and provide the Indian Financial System Code (IFSC) and enclose a photocopy of cheque/ along with the Form of Acceptance cum Acknowledgment.
- 8.15.1. **Electronic Clearing System (ECS) :-** Payment of consideration would be done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna,

Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, odhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non- MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of considerations would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of consideration through ECS is mandatory for shareholders having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.

- 8.15.2. **Direct Credit (DC):-** Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the FOA.
- 8.15.3. **Real Time Gross Settlement (RTGS):-** Applicants having a bank account at any of the RBI managed centres and whose payment consideration exceeds Rs. 1 Lakh, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the IFSC code in the FOA. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.
- 8.15.4. **NEFT (National Electronic Fund Transfer) –** Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 8.16. For all other applicants, including those applicants whose payment consideration is not credited by ECS/Direct Credit due to technical errors or incomplete/incorrect bank account details or due to unavoidable reasons, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.
- 8.17. In case of payment consideration is rejected through the ECS/Direct Credit facility, the Registrar to Offer would endeavour to dispatch the payment consideration within 3 working days of such rejection.
- 8.18. The bank account details for ECS/ Direct Credit/RTGS will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the FOA.
- 8.19. The Registrar to the Offer will hold in trust the Shares / Share Certificates, Transfer Deed(s)/Delivery instruction slip, Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s)/delivery instruction slip on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.
- 8.20. Unaccepted share certificates, transfer forms/delivery instruction slip and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder as per the details furnished in the Form of Acceptance-cum-Acknowledgement.
- 8.21. **GENERAL**
- 8.21.1. The Form of Acceptance and instructions contained therein are integral part of this LOO.

- 8.21.2. Neither the Acquirer nor the Manager nor the Registrar nor the Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s) and/or other documents.
- 8.21.3. The Offer Price is denominated and payable in Indian Rupees only.
- 8.21.4. All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgment of the Form of Acceptance and other relevant particulars.
- 8.21.5. No competing offer was announced till the last date for making competing offer
- 8.21.6. As the Offer Price cannot be revised during 3 working days prior to commencement of the tendering period, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.
- 8.21.7. Wherever necessary, the financial figures are rounded off to nearest Lakhs or Crores.
- 8.21.8. Alternatively, a copy of Public Announcement, Detailed Public Statement, Letter of Offer, Form of Acceptance cum Acknowledgement can be obtained from SEBI's official website: www.sebi.gov.in.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the Office of the Manager to the Offer, **Intensive Fiscal Services Private Limited**, 914, Raheja Chambers , Nariman Point, Mumbai-400021, from 10.00 hours to 17.00 hours on any working day, except Saturdays, Sundays and Holidays from the date of opening of the Offer until the closure of the Offer:

- 9.1. Certificate of Incorporation, Memorandum & Articles of Association of Kamalakshi Finance Corporation Limited
- 9.2. Memorandum of Understanding between Lead manager i.e. Intensive Fiscal Services Private Limited & Acquirer.
- 9.3. Income Tax Return of Kamalakshi Finance Corporation Limited for the AY 2011-12, 2012-13 and 2013-14.
- 9.4. Certificate from Rajesh Soni (Membership no 133240), Partner of R.Soni & Co, Chartered Accountants, having its office at 46, Mulji Bldg, 2nd Floor, Above Bank of Baroda, 185/187, Princess Street, Mumbai-400002, E-mail : carrsoni@gmail.com/ info@rsonica.com, Website: www.rsonica.com, has certified vide certificate dated November 15, 2013, the Financial Ratios of the Target Company for year ended March 31, 2011, March 31, 2012 and March 31, 2013.
- 9.5. Certificate from Jayesh D.Darji (Membership No. 107748), Partner of TMG & Associates, Chartered Accountants having its registered Office at A/5, Sai Shakti Coop. Hsg. Soc. Ltd., Harishankar Joshi Road, Near Rly. Station, Dahisar (East), Mumbai - 400 068, Tel (O) : 022-28280324 ,(R) : 022-28979063 ,Email : jayeshca@hotmail.com dated December 05, 2013 that the Acquirer has sufficient financial resources for fulfilling all the obligations under the offer.
- 9.6. Certificate from Jayesh D.Darji (Membership No. 107748), Partner of TMG & Associates, Chartered Accountants having its registered Office at A/5, Sai Shakti Coop. Hsg. Soc. Ltd., Harishankar Joshi Road, Near Rly. Station, Dahisar (East), Mumbai - 400 068, Tel (O) : 022-28280324 ,(R) : 022-28979063, Email : jayeshca@hotmail.com dated February 12, 2014 that the Net worth of Dheeraj B. Shah is Rs. 6,92,03,874/- (Rupees Six Crore Ninety Two Lakhs Three Thousand Eight Hundred and Seventy Four Only) as on February 12, 2014.
- 9.7. Copy of Escrow agreement dated December 02, 2013 between Acquirer, Escrow Bank-HDFC BANK LIMITED. & Manager to the offer-Intensive Fiscal Services Pvt. Ltd.
- 9.8. Copy of Agreement between Registrar to the Offer i.e. Purva shareregistry India Pvt. Ltd. & Acquirer.
- 9.9. Letter dated December 11, 2013 from HDFC Bank Limited confirming Rs. 2,60,20,800/- has been

deposited in the escrow account.

- 9.10. Copy of Share Purchase Agreement between the Acquirer and the Seller dated December 02, 2013 for acquisition of 37,260 equity shares, which triggered the Offer.
- 9.11. Published copy of Public Announcement was filed on December 02, 2013.
- 9.12. Published copy of Detailed Public Statement which appeared in the newspapers on December 09, 2013.
- 9.13. Undertaking from the Acquirer that if they acquire any Shares of the Target Company after the date of the Public Announcement till the closure of the offer, they shall inform Stock Exchange and the Manager within 24 hours.
- 9.14. Undertaking from the Acquirer for unconditional payment of the considerations within 10 working days of closure to all the Shareholders of the Target Company whose applications are accepted in the Open Offer.
- 9.15. Published Copy of Corrigendum which appeared in the newspapers on March 08, 2014.
- 9.16. Copy of SEBI Observation letter bearing reference no CFD/DCR/SKS/6840/ 2014 dated March 05, 2014 received in terms of 16(4) of the Regulations
- 9.17. Valuation report on the fair value of equity shares of the Target Company issued by R. Soni & Co., Chartered Accountants signed by Partner, CA Rajesh Soni Membership no 133240.

10. DECLARATION

- 10.1. The Acquirer has made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer 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.
- 10.2. The Acquirer accepts full responsibility for the information contained in this Letter of Offer and also for the fulfillment of the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 2011. All information contained in this document is as on date of the Letter of Offer, unless stated otherwise.
- 10.3. The Acquirer hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (SAST) Regulations, 2011 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (SAST) Regulations, 2011.

Dheeraj .B Shah

Place: Mumbai

Date: March 10, 2014

11. Enclosures:

- 1. Form of Acceptance cum Acknowledgement
- 2. Blank Share Transfer Deed(s)

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer)

OFFER OPENS ON: March 24, 2014
OFFER CLOSSES ON: April 7, 2014
Please read the Instructions overleaf before filling-in this Form of Acceptance

From:

FOR OFFICE USE ONLY	
Acceptance Number	
Number of equity shares offered	
Number of equity shares accepted	
Purchase consideration (Rs.)	
Cheque/Demand Draft/Pay Order No.	

Tel No:

Fax No:

Email:

To,
Acquirer,
C/o Purva Sharegistry (India) Pvt. Ltd.
9 Shiv Shakti Ind. Estt.,
J R Boricha Marg,
Lower Parel (E), Mumbai 400 011
Tel : 022 2301 6761; Fax.: 022-2301 2517
E mail: busicomp@vsnl.com
Contact Person : Mr. V B Shah

Sub.: Open Offer to acquire 60,68,400 equity shares of Rs. 10/- each, representing 26.17% of the voting capital of Kamalakshi Finance Corporation Limited at a price of Rs. 13/- (Rupees Thirteen Only) per share payable in cash by Dheeraj B. Shah ("Acquirer").

Dear Sir,

1. I / We, refer to the Letter of Offer dated2014 for acquiring the equity shares held by me / us in Kamalakshi Finance Corporation Limited.
2. I / We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
3. I / We, unconditionally offer to sell to the "Acquirer" the following equity shares in Kamalakshi Finance Corporation Limited (hereinafter referred to as "KFCL"), held by me / us, at a price of Rs. 13/- per fully paid-up equity share.
4. **FOR SHARES HELD IN PHYSICAL FORM:**
I/We accept the Offer and enclose the original share certificate (s) and duly signed transfer deed (s) in respect of my/our shares as detailed below:

Ledger Folio No Number of share certificates attached Representing equity shares			
Number of equity shares held in KFCL		Number of equity shares offered	
In figures	In words	In figures	In words

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of equity shares
		From	To	
1				
2				
3				
	Total no. of Equity Shares			

(In case of insufficient space, please use additional sheet and authenticate the same)

FOR SHARES HELD IN DEMAT FORM:

I / We hold the shares in dematerialized form and had executed an 'off-market' transaction for crediting the shares to the "PSIPL ESCROW A/C KAMALAKSHI OPEN OFFER" as per the following particulars:

Depository Name	Central Depository Services (India) Limited (CDSL)
DP Name	R R S SHARES & STOCK BROKERS PRIVATE LIMITED
Account Name	PSIPL ESCROW A/C KAMALAKSHI OPEN OFFER
DP ID Number	12029000
Beneficiary Account Number	00036099

Shareholders having their beneficiary account with National Securities Depository Limited (NSDL) have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account with CDSL

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of shares

- I / We confirm that the equity shares of KFCL which are being tendered herewith by me / us under the Offer are free from any liens, charges and encumbrances of any kind whatsoever.
- I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorize the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
- My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I/We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
- I/We also note and understand that the shares/ Original Share Certificate(s), Transfer Deed(s)/delivery instruction slip will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/Original Share Certificate(s), Transfer Deed(s)/delivery instruction slip and other documents are dispatched to the shareholders, as the case may be.
- I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
- I/We irrevocably authorize the Acquirer to send by Registered Post at my / our risk, the Cheque(s)/Demand Draft(s)/ Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the

address given hereunder and if full address is not given below the same will be forwarded at the address registered with KFCL:

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with KFCL):	

-----Place: ----- Date: -----	
Tel. No(s).-----	Fax No.: -----

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in Physical form/Demat may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. Bank Account No.: -----											
Type of Account: -----(Savings / Current/ Other (please specify))											
Name of the Bank: -----											
Name of the Branch and Address: -----											
I/We want to receive the payment through ECS/RTGS/NEFT											
In case of ECS, 9- digit code number of the Bank & Branch (Appearing on the MICR Cheque issued by the Bank)	<table border="1" style="display: inline-table; text-align: center; width: 150px; height: 20px;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
In the case of RTGS/NEFT, 8 digit code number issued by the Bank	<table border="1" style="display: inline-table; text-align: center; width: 100px; height: 20px;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										

The Permanent Account No. (PAN / GIR No.) allotted under the Income Tax Act, 1961 is as under:

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN / GIR No.			

Enclosure (Please tick)

- Power of Attorney, if any person apart from the shareholder, has signed the acceptance from or transfer deed(s)
- Duly attested Death certificate/succession certificate (in case of single shareholders) in case the original shareholders in expired
- RBI approval (for NRI/OCB/Foreign shareholders)
- Corporate Authorization in case of companies along with Board resolutions and specimen signature of authorized signatory
- No objection certificate & Tax clearance certificate under Income Tax Act, 1961 (for NRI/OCB/Foreign shareholders)
- Other (please specify)_____

Yours faithfully,

Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.

INSTRUCTIONS

- 1 Please read the Letter of Offer carefully before filling-up this Form of Acceptance.
- 2 The Form of Acceptance should be filled-up in English only.
- 3 Signature(s) other than in English, Hindi, Marathi, and thumb impressions must be attested by a Notary Public under his Official Seal.
- 4 Mode of tendering the equity shares Pursuant to the Offer:
 - I. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of KFCL.
 - II. Shareholders of KFCL to whom this Offer is being made, are free to offer his / her / their shareholding in KFCL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.
5. Business Hours : Mondays to Friday : 10.00 hours to 17.00 hours
Saturday: 10.00 to 14.00 hours
Holidays: Sundays and Bank Holidays

----- Tear along this line -----
Serial No. Acknowledgement Slip

Purva Shareregistry (India) Pvt. Ltd.
9 Shiv Shakti Ind. Estt.,
J R Boricha Marg,
Lower Parel (E), Mumbai 400 011
Tel : 022 2301 6761; Fax.: 022-2301 2517

Received from Mr. / Ms. _____

Address: _____

Folio Number _____

Number of Certificate(s) enclosed _____

Certificate Number(s) _____

Total number of Share(s) enclosed _____

Demat Shares: Copy of delivery instruction for _____ number of shares enclosed.

Note: All future correspondence, if any should be addressed to Registrar to the Offer at the address mentioned above.

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

**REGISTERED POST
(PRINTED MATERIAL)**

To,

If undelivered, please return to:
Purva Sharegistry (India) Pvt. Ltd.
9 Shiv Shakti Ind. Estt.,
J R Boricha Marg,
Lower Parel (E), Mumbai 400 011
Tel : 022 2301 6761; Fax.: 022-2301 2517