DETAILED PUBLIC STATEMENT TO THE PUBLIC SHAREHOLDERS OF

KEMISTAR CORPORATION LIMITED

Registered Office: 604, Manas Complex, Jodhpur Cross Road Satellite, Ahmedabad - 380015. | **Tel No.:** +91 79-26923570 | **Email:** kemistarbse@gmail.com | **Website:** www.kemistar.in | **Corporate Identity Number (CIN):** L24233GJ1994PLC022845

IN TERMS OF REGULATION 15(2), READ WITH REGULATION 13(4) AND REGULATION 14(3)OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED.

Open Offer ("Offer") for acquisition of upto 16,16,287 Equity Shares of ₹ 10 each representing 26.00% of the Emerging Voting Capital from the Public Shareholders of Kemistar Corporation Limited (hereinafter referred to as "KCL" or "the Target Company" or "TC") in terms of Securities and Exchange Board of India Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations, 2011") or "SEBI (SAST) Regulations" or ("the Regulations") by Mr. Ketankumar P. Patel ("Acquirer 1") and Mr. Parshottambhai M. Patel ("Acquirer 2") along with Mrs. Shantaben P. Patel ("PAC 1"), Mr. Dipakkumar P. Patel ("PAC 2"), Mrs. Hiralben D. Patel, ("PAC 3"), Patel Parshottamdas M HUF("PAC 4"), Patel Dipakkumar Parashottmdas HUF ("PAC 5"), and (PAC 1, PAC 2, PAC 3, PAC 4, and PAC 5 are hereinafter collectively referred to as "PACs").

This Detailed Public Statement (**"DPS"**) is being issued by Vivro Financial Services Private Limited (**"Manager to the Offer"**) for and on behalf of the Acquirers and the PACs in compliance with regulation 13(4), 14 and 15(2) of the SEBI (SAST) Regulations, pursuant to the Public Announcement (**"PA"**) dated February 23, 2018 made in terms of regulations 3(1) and other applicable provisions of the SEBI (SAST) Regulations, filed on Friday 23, 2018 with BSE Limited (**"BSE"**). The PA was filed with the Securities and Exchange Board of India (**"SEBI"**) and sent to the Target Company on February 26, 2018.

I. Definitions:

a. **"Equity Shares"** means the equity shares of face value of ₹ 10 (Rupees Ten only) each of the Target Company

b. **"Emerging Voting Capital"** shall mean the paid-up equity share capital of 62,16,488 Equity Shares of ₹ 10 (Rupees Ten only) each of the Target Company after taking into account the Preferential Issue of 43,50,096 Equity Shares;

c. **"Open Offer** or **"Offer"** shall mean the Open Offer made by the Acquirers and the PACs to the Public Shareholders of the Target Company for acquisition of 26.00% of the Emerging Voting Capital in accordance with the Regulations.

d. **"Preferential Issue"** shall mean proposed issue and allotment of 43,50,096 Equity Shares of face value of ₹ 10 (Rupees Ten only) each at a price of ₹ 14.77 (Rupees Fourteen and Paise Seventy Seven only) per Equity Share representing 69.98% of the Emerging Voting Capital as approved by the Board of Directors of the Target Company at its meeting held on February 23, 2018 subject to approval of the members of the Target Company and other statutory authorities pursuant to the Swap Arrangement.

e. **"Swap Arrangement"** means the swap arrangement dated February 23, 2018 executed amongst the Target Company, K P International Private Limited ("KPIPL") and the shareholders of KPIPL as mentioned therein ("K.P. Investors") pursuant to which the Target Company shall make the Preferential Issue against the swap of shares of KPIPL by K. P. Investors in the ratio of 204:100 i.e. Two Hundred and Four Equity Shares of the Target Company for every One Hundred shares of KPIPL swapped by K. P. Investors.

II. ACQUIRERS, PACs, TARGET COMPANY AND OFFER

A. DETAILS OF THE ACQUIRERS and PACs

1) Information about Mr. Ketankumar P. Patel (Acquirer 1)

1.1 Mr. Ketankumar P. Patel, S/o Mr. Parshottamdas M. Patel, aged about 43 years, is an Indian Resident, residing at 11,12 Devpriya bungalow part 1, 100 ft. Road, Satellite, Ahmedabad-380015 Tel.: +91-79-26923570, Fax: +91-79-26923587, Email: kemistarbse@gmail.com.

1.2 He is post graduate in business administration from Gujarat University and is Bachelor of Engineering (Mechanical) from Gujarat University in the year 1997. He has over two decades of experience in pigment and dyes industry.

1.3 The major entities promoted/ controlled/managed by the Acquirer 1, viz., director in K P International Private Limited, AGR-EH Technologies Private Limited, Agro Chemicals Manufacturers Association of India, and partner in INDO KP Ventures LLP and K P Ecoenergy LLP. As on the date of this DPS, the Acquirer 1 does not hold any position on the board of directors of any listed company nor is he a whole time director in any company, except Kemistar Corporation Limited.

1.4 As on the date of this DPS, the Acquirer 1 holds 28,040 Equity Shares representing 0.45 % of the Emerging Voting Capital of the Target Company and is Managing Director in the Target Company. Additionally, he proposes to acquire 2,70,096 Equity Shares of Face Value of ₹ 10 each representing 4.34% of the Emerging Voting Capital of the Target Company at ₹ 14.77 (Rupees Fourteen and Paise Seventy Seven only) per Equity Share on Preferential Issue basis against Swap of Shares of KPIPL.

1.5 The Equity Shares tendered and accepted pursuant to the Offer will be acquired by the Acquirer 1 and Acquirer 2 only.

1.6 Mr. Gaurav N. Zinzuwadiya, proprietor of Gaurav N. Zinzuwadiya, Chartered Accountants (Membership No. 150295), having his office at G-301, Shayona Tilak -III, New S. G. Road, Gota, Ahmedabad-382481 M. No. 9909650008, has certified vide his certificate dated February 23, 2018 that the net-worth of the Acquirer 1 as on February 23, 2018 is ₹ 4.45 Crores (Rupees Four Crores and Forty Five Lakhs).

2) Information about Mr. Parshottambhai Mohanlal Patel (Acquirer 2)

2.1 Mr. Parshottambhai M. Patel, S/o Mr. Mohanlal Patel, aged about 75 years, is an Indian Resident, residing at 11,12 Devpriya bungalow part 1, 100 ft. Road, Satellite, Ahmedabad-380015,Gujarat, India Tel.: +91-79-26923570, Fax: +91-79-26923587, Email: kemistarbse@gmail.com.

2.2 He is Science graduate from Gujarat University. He has experience of more than 45 years in pigment, dyes and textile industry.

2.3 He is director of K P International Private Limited and partner in INDO KP Ventures LLP and K P Ecoenergy LLP. As on the date of this DPS, Acquirer 2 does not hold any position on the board of directors of any listed company nor is he a whole time director in any company.

2.4 As on the date of this DPS, the Acquirer 2 holds 63,100 Equity Shares representing 1.02% of the Emerging Voting Capital of the Target Company. Additionally, he proposes to acquire 10,62,840 Equity Shares of Face Value of ₹ 10 each representing 17.10% of the Emerging Voting Capital of the Target Company at ₹ 14.77 (Rupees Fourteen and Paise Seventy Seven only) per Equity Share on Preferential Issue basis against Swap of Shares of KPIPL.

2.5 Mr. Gaurav N. Zinzuwadiya, proprietor of Gaurav N. Zinzuwadiya, Chartered Accountants (Membership No. 150295), having his office at G-301, Shayona Tilak -III, New S.G Road, Gota, Ahmedabad-382481, M. No. 9909650008, has certified vide his certificate dated February 23, 2018 that the net-worth of the Acquirer 2 as on February 23, 2018 is ₹ 3.30 Crores (Rupees Three Crores and Thirty Lakhs).

3) Information about Mrs. Shantaben P. Patel ("PAC 1")

3.1 Mrs. Shantaben Patel is W/o Mr. Parshottambhai Patel, aged about 73 years residing at 11,12 Devpriya bungalow part 1,100 ft. Road, Satellite, Ahmedabad-380 015, Gujarat, India, Tel.: +91-79-26923570, Fax: +91-79-26923587, Email: kemistarbse@gmail.com.

3.2 PAC 1 is a house wife and is not involved in the business of the TC.

3.3 As on the date of this DPS, PAC 1 does not hold any Equity Shares of the Target Company. 12,13,800 Equity Shares of Face Value of ₹ 10 each representing 19.53% of the Emerging Voting Capital of the Target Company at ₹ 14.77 (Rupees Fourteen and Paise Seventy Seven only) per Equity Share on Preferential Issue basis against Swap of Shares of KPIPL are proposed to be allotted to PAC 1

4) Information about Mr. Dipakkumar P. Patel ("PAC 2")

4.1 Mr. Dipakkumar P. Patel, Son of Mr. Parshottambhai Patel, aged about 50 years residing at 11, 12 Devpriya bungalow part 1,100 ft. Road, Satellite, Ahmedabad-380 015, Gujarat, India, Tel.: +91-79-26923570, Fax: +91-79-26923587, Email: kemistarbse@gmail.com.

4.2 He is Bachelor of Engineer (Chemical) from Gujarat University. He is not involved in the business of the Target Company. He is not a Director in any company.

4.3 As on the date of this DPS, PAC 2 holds 1,952 representing 0.03% of the Emerging Voting Capital of the Target Company. 16,320 Equity Shares of Face Value of ₹ 10 each representing 0.26% of the Emerging Voting Capital of the Target Company at ₹ 14.77(Rupees Fourteen and Paise Seventy Seven only) per Equity Share on Preferential Issue basis against Swap of Shares of KPIPL are proposed to be allotted to PAC 2

5) Information about Mrs. Hiralben D. Patel ("PAC 3")

5.1 Mrs. Hiralben D Patel is W/o Mr. Dipakkumar Patel, aged about 46 years residing at 11,12 Devpriya bungalow part 1,100 ft. Road, Satellite, Ahmedabad-380 015, Gujarat, India, Tel.: +91-79-26923570, Fax: +91-79-26923587 Email: kemistarbse@gmail.com.

5.2 She has done graduation and is not involved in the business of the TC.

5.3 As on the date of this DPS, PAC 3 does not hold any Equity Shares of the Target Company. 6,12,000 Equity Shares of Face Value of ₹ 10 each representing 9.84% of the Emerging Voting Capital of the Target Company at ₹ 14.77 (Rupees Fourteen and Paise Seventy Seven only) per Equity Share on Preferential Issue basis against Swap of Shares of KPIPL are proposed to be allotted to PAC 3.

6) Information about Patel Parshottamdas M HUF ("PAC 4")

6.1 Patel Parshottamdas M HUF is an Hindu Undivided Family having registered address at 11, 12 Devpriya bunglow part 1,100 ft. Road, Satellite, Ahmedabad-380 015, Gujarat, India, Tel.: +91-79-26923570, Fax: +91-79-26923587, Email:kemistarbse@gmail.com. Mr. Parshottambhai Patel is the Karta of Patel Parshottamdas M HUF.

6.2 As on the date of DPS, Patel Parshottamdas M HUF does not hold any Equity Shares in the Target Company. 8,36,400 Equity Shares of Face Value of ₹ 10 each representing 13.45% of the Emerging Voting Capital of the Target Company at ₹ 14.77 (Rupees Fourteen and Paise Seventy Seven only) per Equity Share on Preferential Issue basis against Swap of Shares of KPIPL are proposed to be allotted to PAC 4.

7) Information about Patel Dipakkumar Parshottamdas HUF ("PAC 5")

7.1 Patel Dipakkumar Parshottamdas HUF is an Hindu Undivided Family having registered address at 11,12 Devpriya bunglow part 1,100 ft. Road, Satellite, Ahmedabad-380 015, Gujarat, India, Tel.: +91-79-2923570, Fax: +91-79-26923587, Email: kemistarbse@gmail.com, Mr. Dipakkumar P. Patel is the Karta of Patel Dipakkumar Parshottamdas HUF.

7.2 As on the date of this DPS, PAC 5 does not hold any Equity Shares of the Target Company. 3,38,640 Equity Shares of Face Value of ₹ 10 each representing 5.45% of the Emerging Voting Capital of the Target Company at ₹ 14.77 (Rupees Fourteen and Paise Seventy Seven only) per Equity Share on Preferential Issue basis against Swap of Shares of KPIPL are proposed to be allotted to PAC 5.

8) Other Information of the Acquirers and PACs

i) Acquirer 1 and PAC 2 are the sons of Acquirer 2 and PAC 1. Acquirer 1 and PAC 1 are brothers. PAC 3 is wife of PAC 2.

ii) The Acquirers and PACs did not acquire any Equity Shares of the Target Company during twelve (12) months period prior to Public Announcement made to the Shareholders of the Target Company, except, Mr. Parshottambhai M. Patel acquired 42,700 representing 6.36% of Voting Capital of the Target Company by way of interse transfer of Shares among the Promoters on July 5, 2017.

iii) The Acquirers and PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulations made under the SEBI Act.

iv) The Acquirers and PACs are not part of any group.

v) None of the entities promoted or controlled by the Acquirers and PACs as mentioned above are either participating or acting in Concert with the Acquirers in this Open Offer.

vi) The Acquirers and PACs are not on the list of 'wilful defaulters' issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by SEBI.

vii) Acquire 1 is the Managing Director of the Target Company, holding 0.45 % of the Emerging Voting Capital of the Target Company and presently controlling the management of the Target Company. He shall recuse himself and not participate in any matter concerning or relating to the Open Offer including any preparatory steps leading to the Offer.

viii) The Acquirers and PACs undertake that they will not sell the Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.

ix) Neither the Acquirers and PACs nor any of the entities with which they are associated is / are in securities related business nor registered with SEBI as a Market Intermediary.

B. INFORMATION ABOUT THE SELLERS: NOT APPLICABLE

C. INFORMATION ABOUT THE TARGET COMPANY–KEMISTAR CORPORATION LIMITED (KCL):

1. The Target Company was incorporated on August 24, 1994, under the Companies Act, 1956 in the name and style as Integrated Amusement Limited as a limited company and received the Certificate of commencement of business on August 31, 1994 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of the Target Company was changed to Kemistar Corporation Limited and a fresh certificate of incorporation consequent to change of name was obtained on September 4, 2009. The CIN of the Target Company is L24233GJ1994PLC022845. The ISIN of the Target Company is INE971L01029
2. The registered office of the Target Company is situated at 604, Manas Complex, Jodhpur Cross Road Satellite, Ahmedabad - 380015, India. Tele No.: +91 79-26923570; Email: kemistarbse@gmail.com
3. The Target Company is engaged in the business of trading and manufacturing of dyes and speciality chemicals.
4. As on the date of this DPS, the Authorised Share Capital of KCL is ₹ 8,50,00,000 (Rupees Eight Crores Fifty Lakhs Only) consisting of 85,00,000 Equity Shares of ₹ 10 each. The Issued, Subscribed and Paid Up Share Capital of the Target Company is ₹ 1,86,63,920 (Rupees One Crore Eighty Six Lakhs Sixty Three Thousand Nine Hundred and Twenty Only) consisting of 18,66,392 Equity Shares of ₹ 10 each.
5. The entire Capital of 18,66,392 Equity Shares of Face Value ₹ 10 each of Target Company are listed on BSE.
6. The Equity Shares of the Target Company are currently listed & traded on BSE only (Security ID BSE: KEMISTAR and Security code BSE: 531163) and is traded under group/ index P category.
7. As on date, the Target Company is fully compliant with the listing requirements and there has not been any non-listing of Equity Shares on BSE.
8. As on date, the Trading in Equity Shares of Target Company is not suspended at BSE. However, the trading in Equity Shares of Target Company is under Graded Surveillance Measures (GSM) – "Stage 0" introduced by Stock Exchanges on account of market surveillance measure.
9. The Equity Shares of the Target Company are not frequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE.
10. As on date of this DPS, there is no subsidiary or holding company of the Target Company.
11. There has been no merger, de-merger and spin off in the last three years in the Target Company.
12. As on the date, the Target Company does not have any partly paid up Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage.
13. The present Board of Directors of KCL are as follows:

Sr. No.	Name	Designation	DIN
1.	Mr. Ketankumar P. Patel*	Managing Director	01157786
2.	Mr. Maheshkumar Kanani	Independent Director	00230163
3.	Mr. Vasantbhai Babubhai Savalia	Director	02249636
4.	Mrs. Nayanaben Atulkumar Patel	Director	07157817

Note: Except, Mr. Ketankumar P. Patel (Acquirer 1), there are no persons representing the Acquirers and PACs on the Board of Directors of the Target Company.

14. The key financial information of the Target Company based on the Audited limited reviewed financials for the six months ended September 30, 2017 and financial statements for the financial year ended March 31, 2017, March 31, 2016 and March 31, 2015 are as follows.

(₹ In lakhs except EPS)

Particulars	For (the 6 months ended on September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
	(Audited Limited Review)	(Audited)	(Audited)	(Audited)
Total Revenue	32.45	105.06	95.60	96.96
Profit / (Loss) after Tax	0.88	3.59	1.68	1.74
Earnings per Share ("EPS") (in ₹) (Basic and Diluted)	0.05	0.54	0.25	0.02
Net Worth / Shareholders' Funds	271.41	73.36	69.77	68.08

D. DETAILS OF THE OFFER

1. The Acquirers and PACs are making this Offer to all the Shareholders of the Target Company to acquire up to **16,16,287** Equity Shares of ₹ 10 each representing 26.00% of the Emerging Voting Capital of the Target Company (the **"Offer Size"**) at a price of ₹ 17.20 (Rupees Seventeen and Paise Twenty only) (**"Offer Price"**) per Equity Share, payable in **Cash**, subject to the terms and conditions set out in the Public Announcement (PA), this Detailed Public Statement (DPS) and the Letter of Offer (LOF), that will be sent to the Shareholders of the Target Company.
2. All the owners of the Equity Shares of the Target Company, registered or unregistered, (except the Acquirers, PACs and the Promoters) are eligible to participate in the Offer in terms of regulation 7(6) of SEBI (SAST) Regulations, 2011.
3. The Acquirers will acquire only such Equity Shares that are fully paid up, free from all liens, charges and encumbrances and the Equity Shares shall be acquired together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared there on.
4. The Offer would be subject to the receipt of statutory and other approvals as mentioned in Section VI of this DPS. In terms of regulation 23(1)(a) of SEBI (SAST) Regulations, if the statutory approvals are not received or are refused, the Offer would stand withdrawn.
5. This Offer is not a competing offer under Regulation 20 of the SEBI Takeover Regulations.
6. This Offer is not conditional upon any minimum level of acceptance by the Equity Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
7. The Acquirers will acquire all the Equity Shares of the Target Company that are validly tendered as per terms of the Letter of Offer upto a maximum of **16,16,287** Equity Shares of ₹ 10 each representing 26.00% of the Emerging Voting Capital of the Target Company.
8. As on the date of this DPS, the Manager to the Offer, Vivro Financial Services Private Limited does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

E. The Acquirers and PACs do not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two (2) years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two (2) years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the Shareholders through Special Resolution passed by way of Postal Ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011.

F. In terms of regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations"), the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis. Pursuant to completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 and in accordance with Regulation 7(4) of SEBI (SAST) Regulations. However, the Acquirers and the PACs undertake to take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the listing agreement within the time period mentioned therein

Further, the Acquirers and the PACs shall not be eligible to make a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2009, unless a period of twelve months have elapsed from the date of completion of the Offer period as per regulation 7(5) of SEBI (SAST) Regulations.

III. BACKGROUND TO THE OFFER

1. As on date, the Acquirers hold 91,140 Equity Shares representing 1.47% of Emerging Voting Capital of the Target Company. PAC 2 holds 1,952 Equity Shares representing 0.03% of Emerging Voting Capital of the Target Company. The Acquirers belong to the Promoter / Promoter Group of the Target Company.
2. On February 23, 2018, the Board of Directors of the Target Company inter-alia has pursuant to section 62 and other applicable provisions of Companies Act, 2013 and SEBI (ICDR) Regulations, 2009 and subject to approval of the members of the Target Company and other statutory authorities, approved the issuance and allotment of 43,50,096 Equity Shares of face value of ₹ 10 each representing 69.98% of the Emerging Voting Capital of the Target Company through Preferential Issue to the Acquirers and PACs against swap of their shares of KPIPL in the ratio of 204:100 i.e. Two Hundred and Four Equity Shares of the Target Company for every One Hundred shares of KPIPL swapped. The details of proposed allotment are as under:

Sr. No.	Name of the Proposed Allottee	No. of Shares held in KPIPL	No. of shares proposed to be allotted in KCL
1	Mr. Ketankumar P Patel (Promoter of KPIPL and KCL and the Acquirer 1)	1,32,400	2,70,096
2	Mr. Parshottambhai M. Patel (Promoter of KPIPL and KCL and Acquirer 2)	5,21,000	10,62,840
3.	Mrs. Shantaben P. Patel (Promoter of KPIPL and PAC 1 and mother of the Acquirer 1)	5,95,000	12,13,800
4	Mr. Dipakkumar P. Patel (Promoter of KPIPL and PAC 2 and husband of the PAC 3)	8,000	16,320
5	Mrs. Hiralben D. Patel (Promoter of KPIPL and PAC 3 and wife of the PAC 2)	3,00,000	6,12,000
6	Patel Parshottamdas M HUF (Promoter of KPIPL and PAC 4)	4,10,000	8,36,400
7	Patel Dipakkumar Parshottamdas HUF (Promoter of KPIPL and PAC 5)	1,66,000	3,38,640
	Total	**21,32,400**	**43,50,096**

By virtue of this Swap, the Target Company will acquire 21,32,400 Equity Shares of KPIPL i.e. around 60% of the Share Capital of KPIPL.

3. Upon completion of the aforementioned Preferential Allotment of Equity Shares to the Acquirers and PACs, their aggregate holding in the Target Company would exceed the threshold set out in Regulation 3(1) of the SEBI (SAST) Regulations. Accordingly this Offer is being made under Regulation 3(1) of the Regulations. Post completion of the Offer, the PACs will form part of the promoter and promoter group of the Target Company.
4. Pursuant to the aforesaid Preferential Allotment, the Acquirers and the PACs are making an Offer in terms of regulation 3(1) of SEBI (SAST) Regulations, 2011 to acquire **16,16,287** Equity Shares of ₹ 10 each representing 26.00% of the Emerging Voting Capital of the Target Company (**"Offer Size"**) at a price of ₹ 17.20 (Rupees Seventeen and Paise Twenty only) per Equity Share (**"Offer Price"**), payable in cash, subject to the terms and conditions set out in the PA, this Detailed Public Statement and the Letter of Offer that will be sent to the Public Shareholders of the Target Company.
5. The Offer Price is payable in cash in accordance with Regulation 9(1) of SEBI (SAST) Regulations
6. This Offer is not as a result of a global acquisition, resulting in an indirect acquisition of the Target Company.
7. At present, the Acquirers and the PACs do not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirers and the PACs may expand the existing business of the Target Company.
8. The object of acquisition is to consolidate the shareholding in the Target Company and make KP International Private Limited (Company owned by the Acquirers and the PACs) as its Subsidiary Company.

IV. SHAREHOLDING AND ACQUISITION DETAILS

The current and proposed shareholding of the Acquirers and PACs in the Target Company and the details of their acquisition(s) is as follows:

Particulars	Shareholding as on PA date		Shares agreed to be acquired through Preferential Allotment		Shares acquired between the PA date and the DPS date		Share proposed to be acquired in the Offer (assuming full acceptance)		Post Offer shareholding as on 10th working day after closing of tendering period	
	No. of Shares	%#	No. of Shares	%#	No. of Shares	%#	No. of Shares#*	%#*	No. of Shares	%#
Acquirer 1	28,040	0.45	2,70,096	4.34	Nil	N.A	16,16,287$	26$	11,06,280	17.80
Acquirer 2	63,100	1.01	10,62,840	17.10	Nil	N.A			19,34,083	31.11
PAC 1	Nil	N.A	12,13,800	19.53	Nil	N.A	Nil	N.A	12,13,800	19.53
PAC 2	1,952	0.03	16,320	0.26	Nil	N.A	Nil	N.A	18,272	0.29
PAC 3	Nil	N.A	6,12,000	9.84	Nil	N.A	Nil	N.A	6,12,000	9.84
PAC 4	Nil	N.A	8,36,400	13.45	Nil	N.A	Nil	N.A	8,36,400	13.45
PAC 5	Nil	N.A	3,38,640	5.45	Nil	N.A	Nil	N.A	3,38,640	5.45
Total	**93,092**	**1.49**	**43,50,096**	**69.98**	**Nil**	**N.A**	**16,16,287**	**26**	**60,59,475**	**97.47**

* Assuming full acceptance in the Open Offer. # The above percentages are calculated on the basis of Emerging Voting Capital.

$ The Shares will be acquired by mutual understanding.

V. OFFER PRICE

1. The Equity Shares of the Target Company are listed on BSE and are not suspended from trading on the stock exchange. The Equity Shares are placed under Group 'P' having a Scrip Code of "531163" & Scrip Id: KEMISTAR. The Equity Shares are currently traded under "GSM: Stage 0" introduced by Stock Exchanges on account of market surveillance measure.
2. The Equity Shares of Target Company have not been suspended from trading on BSE at any time except during the period September 30, 2010 to June 22, 2015 due to procedural reasons on account of filing of Scheme of Arrangement. The ISIN and the trading in Shares were suspended on account of the pendency of the approval of Scheme of reduction of capital from the Hon'ble High Court of Gujarat.The scheme of reduction of capital of the Company was approved by the Hon'ble High Court of Gujarat vide order dated 19/06/2015. As per the scheme the paid-up share capital of the company was reduced from Rs 8,39,24,000 (consisting 8392400 Equity shares of ₹ 10 each) to ₹ 67,13,920 (consisting 6,71,392 Equity Shares of ₹ 10 each).The suspension was revoked on June 23, 2015. The Equity Shares of the TC were admitted for listing w.e.f February 24, 2016.
3. The trading turnover of the Equity Shares of the Target Company on BSE based on trading volume during twelve calendar months preceding the month of PA (February 2017 to January 2018) is given below:

Name of the Stock Exchange	Total number of equity shares traded during twelve calendar months preceding the month of PA	Total Number of Listed Equity Shares	Trading Turnover (in terms of % to Total Listed Equity Shares)
BSE	77,700	18,66,392	7.48

Source: www.bseindia.com

Based on above, the Equity Shares of the Target Company are not frequently traded within the meaning of Regulation 2(1) (j) of the SEBI (SAST) Regulations on BSE.

4. The Offer Price of ₹ 17.20 per Equity Share is justified, in terms of Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations and the same has been determined after considering highest of the following facts:

Sr. No	Particulars	Price Per Share (₹)	
(a)	Negotiated Price per Equity Share under the Share Purchase Agreement	N.A	
(b)	Shares proposed to be acquired through Preferential Allotment	14.77	
(c)	The volume-weighted average price paid or payable for any acquisitions, whether by the Acquirer or by any Person(s) acting in concert (PACs) during the 52 weeks immediately preceding the date of the Public Announcement;	17.20	
(d)	The highest price paid or payable for any acquisitions, whether by the Acquirer or by any Person(s) acting in concert during the 26 weeks period immediately preceding the date of Public Announcement;	N.A	
(d)	The volume-weighted average market price of the Equity Shares of the TC for a period of 60 trading days immediately preceding the date of Public Announcement as traded on BSE Stock Exchange;	Not Applicable as Equity Shares are Infrequently Traded	
(e)	Where the shares are not frequently traded, the price determined by Acquirer and PACs and the Manager to the Open Offer taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies;		
	Other Parameters	**For the six months period ended September 30, 2017**	**For the year ended March 31, 2017**
	Networth (₹ In Lakhs)	2,71,41,526	73,35,844
	Book Value per Share (₹)	14.54	10.93
	Earnings per Share	0.05	0.54

5. The Fair Value of Equity Share of the Target Company is ₹ 17.20 per share (Rupees Seventeen and Paise Twenty only) as certified by Mr. Hiren Patel, partner of Patel and Jesalpura, Chartered Accountants (M. No. 132726), having his office at 803/804,Samudra Annexe, Near Classic Gold Hotel, C.G. Road, Navrangpura, Ahmedabad -380006 Tele. No. 079-26560321, E-mail: ashokpatelca@gmail.com vide valuation certificate dated February 22, 2018.
6. The Offer Price of ₹ 17.20 per Equity Share (Rupees Seventeen and Paise Twenty only) is highest of all the above parameters as mentioned in the SEBI (SAST) Regulations.
7. Based on the information above, the Manager to the Offer and the Acquirers and PACs confirm that the Offer price of ₹ 17.20 (Rupees Seventeen and Paise Twenty only) per Equity Share is justified in terms of Regulation 8(1) and 8(2) of SEBI (SAST) Regulations.
8. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.
9. In the event of further acquisition of Equity Shares of the Target Company by the Acquirers and the PACs during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, Acquirers and PACs shall not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
10. If the Acquirers and PACs acquire 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 Acquirers and PACs shall pay the difference between the highest acquisition price and the Offer Price, to all the Shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer as per the SEBI (SAST) Regulations or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company whether by way of bulk / block deals or in any other form.
11. As on date, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers and PACs shall comply with Regulation 18 of SEBI (SAST) Regulations and all other applicable provisions of SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price or Offer Size.
12. If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only up to the period prior to three working days before the date of commencement of the tendering period and would be notified to the Shareholders by public announcement in the same newspaper where the DPS was published.

VI. FINANCIAL ARRANGEMENTS

1. The total funds required for implementation of the Open Offer (assuming full acceptance), i.e., for the acquisition of 16,16,287 Equity Shares at the Offer Price of ₹ 17.20 (Rupees Seventeen and Paise Twenty Only) per Equity Share is ₹ 2,78,00,137 (Rupees Two Crores Seventy Eight Lakhs One Hundred and Thirty Seven Only).
2. In accordance with proviso clause to regulation 24(1) read with regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account under the name and style of "Kemistar Corporation Ltd. - Open Offer- Escrow Account" with HDFC Bank Limited, having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013 ("Escrow Banker") and made therein a cash deposit of ₹ 69,51,000 (Rupees Sixty Nine Lakhs Fifty One Only) being more than 25% of the total consideration payable in the Offer, assuming full acceptance.
3. In terms of Regulation 25(1), the Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of their own sources/ net worth and no borrowings from any Bank and/ or Financial Institutions are envisaged.
4. Mr. Gaurav N. Zinzuwadiya, proprietor of Gaurav N. Zinzuwadiya,Chartered Accountants (Membership No. 150295), having his office at G-301, Shayona Tilak -III, New S.G Road, Gota, Ahmedabad-382481 M. No. 9909650008, has certified vide his certificate dated February 21, 2018, certified that sufficient resources are available with the Acquirers for fulfilling the obligations under this Offer in full.
5. The Manager to the Offer is authorized to operate the above mentioned Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
6. Based on the aforesaid financial arrangements, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to fulfill the Acquirers' obligations through verifiable means in relation to this Offer in accordance with the Regulations.
7. In case of upward revision of the Offer Price and/or the Offer Size, the Acquirers shall deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18(5) of the Regulations, prior to effecting such revision.

VII. STATUTORY AND OTHER APPROVALS

1. As on the date of the DPS, to the best of the knowledge of the Acquirers and the PACs, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all-statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.
2. The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring Equity Shares tendered by non-resident shareholders, if any.
3. The Acquirers and the PACs in terms of Regulation 23 of SEBI (SAST) Regulations will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has appeared.
4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay in receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirers and PACs or failure of the Acquirers and PACs to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the Shareholders as directed by SEBI, in terms of Regulation 18(11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirersand PACs in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.
5. No approval is required from any bank or financial institutions for this Offer to the best of the knowledge of the Acquirers and PACs.

VIII. TENTATIVE SCHEDULE OF ACTIVITY

Activity	Day	Date
Issue of Public Announcement	February 23, 2018	Friday
Publication of Detailed Public Statement	March 5, 2018	Monday
Last date of filing Draft Letter of Offer with SEBI	March 12, 2018	Monday
Last date for public announcement for competing offer(s)	March 26, 2018	Monday
Last date for receipt of comments from SEBI on the Draft Letter of Offer	April 4, 2018	Wednesday
Identified Date*	April 6, 2018	Friday
Date by which Letter of Offer to be dispatched to the Shareholders	April 13, 2018	Friday
Last date for upward revision of the Offer Price and/or the Offer Size	April 17, 2018	Tuesday
Last date by which the committee of Independent Directors of the Target Company shall give its recommendations	April 18, 2018	Wednesday
Advertisement of schedule of activities for Open Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company at its registered office	April 19, 2018	Thursday
Date of Commencement of Tendering Period (Offer Opening Date)	April 20, 2018	Friday
Date of Expiration of Tendering Period (Offer Closing Date)	May 7, 2018	Monday
Last date of communicating of rejection / acceptance and payment of consideration for accepted tenders / return of unaccepted shares	May 21, 2018	Monday
Issue of post offer advertisement	May 28, 2018	Monday
Last date for filing of final report with SEBI	May 28, 2018	Monday

** Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer shall be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirers, PACs and the Promoters) are eligible to participate in the Offer any time before the closure of the Offer.*

IX. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER (LOF)

1. All owners of Equity Shares (except the Acquirers, PACs and the Promoters) whether holding Equity Shares in dematerialised form or physical form, registered or unregistered, are eligible to participate in the Offer any time before closure of the tendering period.
2. Persons who have acquired the Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares of the Target Company after the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer.
3. The Open Offer will be implemented by the Acquirers and PACs through Stock Exchange Mechanism as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended by SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.
4. The Acquirers have appointed **Pravin Ratilal Share and Stock Brokers Limited ("Buying Broker")** for the Offer through whom the purchase and settlement of the Equity Shares tendered in the Offer shall be made. The contact details of the Buying Broker are as mentioned below:

   Pravin Ratilal Share and Stock Brokers Limited
   "Sakar-1", 5th Floor, Opp. Gandhigram Railway Station, Navrangpura, Ahmedabad-380 009, Gujarat, India.
   Tel No.: + 91-79-26582331/66302792 | Fax: + 91-79-26582331 | Email: info@prssb.com
   Website: www.prrsb.com | SEBI Registration No.: INB230758933(NSE) | INB010758937
   Contact Person: Mr. Phaneesh kumar
5. BSE shall be the Designated Stock Exchange for the purpose of tendering Offer Shares in the Open Offer.All public shareholders who desire to tender their equity shares under the Offer would have to intimate their respective stock brokers (**"Selling Broker(s)"**) within the normal trading hours of the secondary market during the tendering period.
6. There shall be no discrimination in the acceptance of locked-in and non locked-in equity shares in the Offer. The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
7. The detailed process of Stock Exchange will be provided in the Letter of Offer which shall be sent to the Public Shareholders of the Target Company.

X. THE DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THE OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER THAT WOULD BE MAILED TO THE SHAREHOLDERS OF THE TARGET COMPANY AS ON THE IDENTIFIED DATE

XI. OTHER INFORMATION

1. The Acquirers, PACs, and the Target Company have not been prohibited by SEBI from dealing in securities under directions issued pursuant to Section 11B or under any other regulations made under SEBI Act.
2. The Acquirers and PACs accept full responsibility for the information contained in this DPS & PA and also for the obligations of the Acquirers and the PACslaid down in the SEBI (SAST) Regulations and subsequent amendments made thereto.
3. Pursuant to regulation 12(1) of the SEBI (SAST) Regulations, the Acquirers and the PACs have appointed, Vivro Financial Services Private Limited, as the Manager to the Offer.
4. The Acquirers and the PACs have appointed Purva Share Registry (India) Pvt. Ltd., as the Registrar to the Offer having its office at 9 Shiv Shakti Industrial Estate, J R Boricha Marg, Opp. Kasturba Hosp., Lower Parel (E), Mumbai, Maharashtra,400011; Tel. No. 022 - 23018261 / 23016761, Fax: +022 - 2301251791, E-mail Id: busicomp@vsnl.com. Contact Person: Ms. Deepali Dhuri, SEBI Regn. No.: INR000001112
5. In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and or regrouping.
6. This DPS and the PA is also available on SEBI's website at www.sebi.gov.in.

Issued by Manager to the Offer

VIVRO

Vivro Financial Services Private Limited

607, 608 Marathon Icon, Opp. Peninsula Corporate Park,
Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai-400 013, Maharashtra, India.
Tel No.:+91-22–6666 8040 | **Fax No.:** +91-22–6666 8047 | **Email:** investors@vivro.net
Website: www.vivro.net | **SEBI Registration No:** INM000010122
CIN: U67120GJ1996PTC029182 | **Contact Person:** Ms. Shashi Singhvi / Mr. Yogesh Malpani

on behalf of Acquirers and PACs

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Ketankumar P. Patel (Acquirer 1)	Parshottambhai M. Patel (Acquirer 2)	Shantaben P. Patel ("PAC 1")	Dipakkumar P. Patel ("PAC 2")	Hiralben D. Patel ("PAC 3")	Patel Purshottam das M HUF ("PAC 4")	Patel Dipakkumar Parshottamdas HUF ("PAC 5")

Place: Ahmedabad **Date:** March 5, 2018