

**DRAFT LETTER OF OFFER**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Draft Letter of Offer (“DLOF”) is sent to you as a shareholder(s) of **Mrugesh Trading Limited** (hereinafter referred as “**MRUTR**” or “**Target Company**” or “**TC**”). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your Shares in the Company, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed(s)/ Securities Transfer Form (Form SH-4) to the member of Stock Exchange through whom the said sale was effected.

**OPEN OFFER (“Offer”)**

**BY**

**Rajdarbar Capital Private Limited (“Acquirer”)**

Registered Office: Global Spaces, Magtai, near Shastripuram, Agra– 282007, Uttar Pradesh, India.

Telephone: +91- 7055117556; Fax Number: Not Available; Email: roc@globalrealty.co.in

Corporate Identity Number(“CIN”): U67120UP1991PTC072465

**To**

**THE SHAREHOLDERS OF MRUGESH TRADING LIMITED**

Having its Registered Office: Warden House, 340 J.J. Road, Byculla, Mumbai - 400008, Maharashtra India.

Tel. No. +91- 022-23027900, Telefax No.: +91-022-23077231; Email: cosec@mrugeshtrading.com ,

CIN: L74999MH1984PLC034746

**TO ACQUIRE**

UP TO 1,10,250 (ONE LAKH TEN THOUSAND TWO HUNDRED & FIFTY) EQUITY SHARES OF FACE VALUE OF RS. 10/-(RUPEES TEN ONLY) EACH (“EQUITY SHARES”) REPRESENTING IN AGGREGATE 45.00% (FORTY-FIVE PERCENT ONLY) OF THE TOTAL ISSUED, OUTSTANDING AND FULLY PAID UP CARRYING VOTING RIGHTS OF MRUGESH TRADING LIMITED, AT A PRICE OF RS. 12 (RUPEES TWELVE ONLY) PER EQUITY SHARE (“**OFFER PRICE**”), PAYABLE IN CASH, PURSUANT TO THE SECURITIES EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT THERETO (**SEBI (SAST) REGULATIONS**)

**PLEASE NOTE:**

1. This Open Offer is being made by the Acquirer pursuant to Regulations 3(1) and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (**the “SEBI (SAST) Regulations, 2011” or “SEBI (SAST) Regulations” or “the Regulations”**).
2. This Open Offer is NOT conditional upon any minimum level of acceptance in terms Regulation 19 of SEBI (SAST) Regulations, 2011.
3. **This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011. If there is competing offer: The open offer(s) under all the subsisting bids shall open and close on the same date.**
4. As on the date of this Draft Letter of Offer, to the best of the knowledge and belief of the Acquirer, there are no statutory or other approvals required to acquire the Equity Shares by the Acquirer validly tendered pursuant to this Open Offer. However, in case of any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such statutory approvals.
5. Non-resident Indians (“NRIs”) or Overseas Corporate Bodies (“OCB”) shareholders of the Target Company, must obtain all approvals required to tender the Equity Shares held by them in this Offer and submit copy of such approvals, along with the Form of Acceptance-cum-Acknowledgement and other documents as required to accept this Offer.
6. In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Offer, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations, 2011 will also become applicable and the amount lying in the escrow account shall become liable to forfeiture. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

7. If there is any upward revision in the Offer Price/Offer Size by the Acquirer at any time up to One (1) working day prior to the commencement of the Tendering Period i.e. up to Wednesday November 06, 2019 in terms of Regulation 18 (4) of SEBI (SAST) Regulations, 2011 or withdrawal of the offer, the same would be informed by way of an announcement in the same newspapers where the Detailed Public Statement was published. The revised price payable pursuant to such revision of the Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period and accepted under the Offer.
8. There is no competing offer as on the date of this Draft Letter of Offer
9. A copy of Public Announcement ('PA'), Detailed Public Statement ('DPS'), Draft Letter of Offer and Letter of Offer (including Form of Acceptance-cum-Acknowledgement) are/will be available on the website of Securities and Exchange Board of India ('SEBI') at [http:// www.sebi.gov.in](http://www.sebi.gov.in)

**All future correspondence should be addressed to the Registrar to the Offer**

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
	
<p><b>FEDEX SECURITIES PRIVATE LIMITED</b>            (Formerly Known as Fedex Securities Limited)            305, Enterprise Centre, Nehru Road, Vile Parle (East),            Mumbai 400099, Maharashtra, India  <b>Tel No.:</b> +91 8104985249  <b>Fax No.:</b> 022 2618 6966  <b>E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a>  <b>SEBI Registration Number:</b> INM000010163  <b>Investor Grievance E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a>  <b>Contact Person:</b> Rinkesh Saraiya</p>	<p><b>LINK INTIME INDIA PRIVATE LIMITED</b>            C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli            (West), Mumbai -400083, Maharashtra, India  <b>Tel No.:</b> 022 4918 6200  <b>Fax No:</b> 022 49186195  <b>E-mail:</b> <a href="mailto:mrugeshtrading.offer@linkintime.co.in">mrugeshtrading.offer@linkintime.co.in</a>  <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>  <b>Contact Person:</b> Sumeet Deshpande  <b>SEBI Registration Number:</b> INR000004058  <b>Investor Grievance Email:</b>  <a href="mailto:mrugeshtrading.offer@linkintime.co.in">mrugeshtrading.offer@linkintime.co.in</a></p>

## SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Date*	Day*
Date of Public Announcement	September 12, 2019	Thursday
Date of publishing of Detailed Public Statement	September 19, 2019	Thursday
Last date of filing Draft Letter of Offer with SEBI	September 26, 2019	Thursday
Last date for public announcement for competing offer(s)	October 14, 2019	Monday
Last date for receipt of comments from SEBI on the Draft Letter of Offer	October 21, 2019	Monday
Identified Date#	October 23, 2019	Wednesday
Date by which Letter of Offer to be dispatched to the Shareholders	October 31, 2019	Thursday
Last date for upward revision of the Offer Price and/or the Offer Size	November 06, 2019	Wednesday
Last date by which the committee of Independent Directors of the Target Company shall give its recommendations	November 05, 2019	Tuesday
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	November 06, 2019	Wednesday
Date of Commencement of Tendering Period (Offer Opening Date)	November 07, 2019	Thursday
Date of Expiration of Tendering Period (Offer Closing Date)	November 21, 2019	Thursday
Last date of communicating of rejection / acceptance and payment of consideration for accepted tenders / return of unaccepted shares	December 05, 2019	Thursday
Issue of post offer advertisement	December 12, 2019	Thursday
Last date for filing of final report with SEBI	December 12, 2019	Thursday

*\*the above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of relevant approvals from various regulatory authorities and may have to be revised accordingly throughout this document.*

*#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 Acquirer and Parties to SPA) are eligible to participate in the Offer any time before the closure of the Offer.*

***RISK FACTORS RELATING TO THE TRANSACTION, THE OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER:***

The risk factors set forth below pertain to the underlying transaction, this Offer and are not intended to be a complete analysis of all risks in relation to this Offer or in association with the Acquirer or the Target Company, but are only indicative. The risk factors set forth below do not relate to the present or future business or operations of the Target Company and any other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder(s) in this Offer but are merely indicative. Shareholder(s) are advised to consult their stock brokers, tax advisers and/ or investment advisers/consultants, for analyzing all the risks with respect to their participation in this Offer.

**1. Relating to transaction**

- A. As on the date of this date of this DLOF, no statutory approvals are required to complete the acquisition of shares under Shares Purchase Agreement (“SPA”) dated September 12, 2019. In case the provisions of the SEBI (SAST) Regulations or the SPA are not satisfactorily complied with for reasons beyond reasonable control of the Acquirer and consequently the SPA is rescinded, the Acquirer shall not be able to act upon the acquisition of Equity Shares under the Offer.
- B. To the best of knowledge of the Acquirer, no statutory approvals are required however; it will be subject to all statutory approvals that may become applicable at a later date.
- C. In the event that (a) the regulatory approvals are not received in a timely manner; or (b) there is any litigation to stay the offer; or (c) SEBI instructs the Acquirer not to proceed with the offer, then the Offer proceeds may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the public shareholders of Mrugesh Trading Limited, whose shares have been accepted in this offer as well as the return of shares not accepted by the Acquirer may be delayed. The tendered equity shares and documents will be held by the Registrar to the Offer, until such time as the process of acceptance of such equity shares and the payment of consideration thereto is completed.
- D. This Offer is subject to completion risks as would be applicable to similar transactions.

**2. Relating to the Offer**

- A. To the best of Acquirer’s knowledge, the Offer is not subject to the receipt of any statutory, regulatory and or other approvals / no objections. In the event that (a) any statutory approvals are required by the Acquirer at a later date prior to the completion of this Offer, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals; (b) there is delay in receipt of any applicable statutory approvals; (c) there is any litigation leading to a stay on the Open Offer; or (d) SEBI instructs the Acquirer not to proceed with the Open Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares have been accepted in this Open Offer as well as return of the Equity Shares not accepted by the Acquirer may be delayed. In case of delay, due to non - receipt of statutory approval(s) in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that the non-receipt of approvals was not on account of any willful default or negligence on the part of the Acquirer, grant extension for the purpose of completion of this Open Offer subject to Acquirer agreeing to pay interest to the Public Shareholders, as may be specified by SEBI.
- B. In the event of over-subscription to the offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- C. The Acquirer will not proceed with the Open Offer in the event statutory or other approvals, if any are required, are refused in terms of Regulation 23(1) of SEBI (SAST) Regulations, 2011.
- D. The tendered Equity Shares in physical form with the related documents submitted therewith would be held in trust by the Registrar to the Offer and in credit of the Depositories account until the process of acceptance of Equity Shares tendered and payment of consideration to the Public Shareholders is completed.

- E. Equity Shares cannot be withdrawn once tendered, even if the acceptance of Equity Share under the Offer and dispatch of consideration is delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. The Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer and/or Clearing Corporation notwithstanding delay in acceptance of the Equity Shares in this Offer and dispatch of payment consideration. Accordingly, the Acquirer make no assurance with respect to the market price of the Equity Shares before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Public Shareholders on whether or not to participate in this Offer.
- F. In the event of that the number of Equity Shares validly tendered by the Eligible Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Eligible Shareholders on a proportionate basis. Therefore, there is no certainty that all the Equity Shares tendered in the Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Eligible Shareholders in accordance with the schedule of activities for the Offer.
- G. The Shareholders should note that, under the SEBI SAST Regulations, once the shareholders have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of the Equity Shares under the Offer and/or the dispatch of consideration.
- H. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement (“PA”), Detailed Public Statement (“DPS”), DLOF, Letter of Offer (“LOF”) or in the post Offer advertisement or any corrigendum or any materials issued by or at the instance of the Acquirer, or the Manager to the Offer in relation to the Offer, and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.
- I. NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) were required to obtain any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or on non-repatriable basis
- J. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Draft Letter of Offer, resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America
- K. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

### **3. Relating to the Acquirer:**

- A. The Acquirer and Manager to the Offer makes no assurances with respect to its investment / divestment decisions relating to its proposed shareholding in the Target Company.

- B. The Acquirer and Manager to the Offer make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.
- C. The Acquirer and Manager to the Offer cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly 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.
- D. The risk factors set forth above pertains to the Offer and not in relation to the present or future business operations of the “Target Company” or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a Shareholder in the Offer. Shareholders of IBL are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the Offer
- E. The equity shares of the Target Company are listed on BSE. Pursuant to regulation 38 of SEBI LODR Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. If, upon completion of the Offer, assuming full acceptances in the Offer, the Acquirer shall hold 1,82,300 (One Lakhs Eighty-Two Thousand Three Hundred) including purchase of Share Purchase Agreement (SPA) Equity Shares constituting 74.41% of the issued, subscribed paid up and voting share capital of the Target Company. The Acquirer hereby undertakes that the public shareholding in the Target Company will be enhanced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.

**Currency of Presentation:**

1. In this Draft Letter of Offer, all references to ‘Rs.’ or ‘Rupees’ are to Indian Rupee(s), the official currency of India.
2. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

## TABLE OF CONTENTS

### Table of Contents

<b>1. DEFINITIONS AND ABBREVIATIONS .....</b>	<b>8</b>
<b>2. DISCLAIMER CLAUSE .....</b>	<b>12</b>
<b>3. DETAILS OF THE OFFER.....</b>	<b>13</b>
<b>4. BACKGROUND OF THE ACQUIRER.....</b>	<b>16</b>
<b>5. BACKGROUND OF THE TARGET COMPANY.....</b>	<b>19</b>
<b>6. OFFER PRICE AND FINANCIAL ARRANGEMENTS .....</b>	<b>22</b>
<b>7. TERMS AND CONDITIONS OF THE OFFER.....</b>	<b>25</b>
<b>8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT .....</b>	<b>27</b>
<b>9. DOCUMENTS FOR INSPECTION .....</b>	<b>37</b>
<b>10.DECLARATION BY THE ACQUIRER .....</b>	<b>38</b>

## 1. DEFINITIONS AND ABBREVIATIONS

Term	Description
Acquirer	Rajdarbar Capital Private Limited having registered office at Global Spaces, Magtai, near Shastripuram, Agra– 282007, Uttar Pradesh, India <b>Tel No.+91- 7055117556 Email: roc@globalrealty.co.in</b> <b>CIN: U67120UP1991PTC072465</b>
Board of Directors	Board of Directors means as defined under the Companies Act, 2013
Buying Broker	The Acquirer has appointed Nikunj Stock Brokers Limited on September 13, 2019 (“Buying Broker”) for the Open Offer through whom the purchases and settlement of Open Offer Equity Shares shall be made during the Tendering Period
BSE Limited	BSE
Central Depository Services (India) Limited	CDSL
CIN	Corporate Identity Number
Companies Act	The Companies Act, 2013 as amended or modified from time to time and the Companies Act, 1956 to the extent as applicable
Current Voting Share Capital	Total equity shares of the Target Company carrying voting rights as on the date of this DLOF
Clearing Corporation	Indian Clearing Corporation Limited
Consideration	Shall mean a sum of Rs.13,23,000/- (Rupees Thirteen Lakhs Twenty-Three Thousand Only) i.e., for the acquisition up to 1,10,250 (One Lakh Ten Thousand Two Hundred & Fifty) Equity Shares at the Offer Price of Rs. 12/- (Rupees Twelve Only) per Equity Shares (the “Total Consideration”) payable by the Acquirer to the Shareholders for accepting the Equity Shares under the Offer.
Date of commencement of Tendering Period	Thursday, November 07, 2019
Date of closure of Tendering Period	Thursday, November 21, 2019
Depositories	CDSL and NSDL
DIN	Director Identification Number
DLOF / Draft Letter of Offer	This Draft Letter of Offer dated Thursday, September 26, 2019
DP	Depository Participant
DPS / Detailed Public Statement	Detailed Public Statement relating to the Offer published on Thursday, September 19, 2019 on behalf of the Acquirer in Financial Express Newspaper (English – all editions), Jansatta Newspaper (Hindi – all editions) and Mumbai Mitra (Regional – edition)
Eligible Shareholder(s) / Persons Shareholder(s) for the Offer / Equity Shareholder(s) / Shareholder(s)	All owners (registered or unregistered) of Equity Shares of the Target Company who own the Equity Shares at any time before the Closure of the Tendering Period, except the Acquires and the existing Promoter and Promoter Group / Sellers under the SPA.
EPS	Earnings per Equity Share derived by dividing the Profit after Tax by number of Equity Shares.
Equity Shares/ Shares	Fully paid-up Equity Shares of the Target Company, having face value of Rs. 10/- each unless it is specified.
Equity Share Capital	Rs. 24,50,000 (Twenty-Four Lakhs Fifty Thousand Only) consisting of 2,45,000 (Two Lakhs Forty-Five Thousand Only) Fully paid up Equity Share of Rs.10/- each of the Target Company as on date of DLOF.
Escrow Account	Escrow Account bearing no. 250557778453 opened by the Acquirer in relation to this Offer with the Escrow Bank empowering the Manager to the Offer to act in compliance with the SEBI (SAST) Regulations.



<b>Term</b>	<b>Description</b>
Escrow Agreement	The Escrow Agreement dated September 12, 2019 entered into amongst the Acquirer, the Manager to the Offer and the Escrow Bank.
Escrow Bank	IndusInd Bank, a banking corporation incorporated under the laws of India, acting through its branch office at IndusInd Bank Limited, Premises No. 1, Sonawala Building 57, Mumbai Samachar Marg, Fort, Mumbai – 400001
FII(s)	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India.
Fugitive economic offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FEMA	Foreign Exchange Management Act 1999, as amended from time to time
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement.
FY	Financial Year
Identified Date	Wednesday, October 23, 2019, i.e. the date falling on the 10th Working Day prior to the commencement of the Tendering Period for the purpose of identifying Eligible Shareholders to whom the Letter of Offer will be sent.
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961 as amended from time to time.
INR/ Indian Rupees	Rs
ISIN	International Securities Identification Number
Letter of Offer (LOF)	Letter of Offer including the Form of Acceptance-cum-Acknowledgement to be dispatched to the Shareholders of the Target Company.
LODR Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended
Manager / Manager to the Offer / Merchant Banker /	Fedex Securities Private Limited (Formerly know as Fedex Securities Limited)
MOA	Memorandum of Association of Mrugesh Trading Limited as amended.
MICR	Magnetic Ink Character Recognition
Negotiated Price	Rs. 12 (Rupees Twelve Only) per Equity Share
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfers
N.A.	Not Applicable
Non-Resident Shareholders	Non-Resident Indians and OCBs holding Equity Shares of “MRUTR”
NRI	Non-Resident Indian as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/ Open Offer	Open offer being made by the Acquirer to the Shareholders of MRUTR (other than the Promoter and Promoter Group) to acquire up to 1,10,250 Equity Shares, representing 45.00% of the Total Paid Up and Voting Equity Share Capital of the Target Company at an Offer Price of Rs. 12/- (Rupees Twelve only) per Equity Share payable in cash.
Offer Price	Rs. 12/- (Rupees Twelve only) per Equity Share of the Target Company payable in cash as determined under regulation 8 of the SEBI (SAST) Regulations, 2011.
Offer Size	Rs. 13,23,000/- (Rupees Thirteen Lakhs Twenty-Three Thousand Only) arrived by multiplying 1,10,250 Equity Shares each by Offer Price of Rs 12 per Equity Share of the TC.

<b>Term</b>	<b>Description</b>
Offer / Offering Period	Period from the date of Public Announcement to the date of payment of Consideration to the Shareholders whose Equity Shares are validly accepted under this Open Offer or the date on which this Offer is withdrawn.
PA / Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirer on Thursday, September 12, 2019, in accordance with the SEBI (SAST) Regulations.
PAN	Permanent Account Number
PAT	Profit After Tax
Promoter and Promoter Group	Persons part of Promoter and Promoter Group of Mrugesh Trading Limited unless specified otherwise
Registrar/ Registrar to the Offer	Link Intime India Private Limited
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
Sale Shares	Shall mean 72,050 Equity Shares representing 29.41% of the Voting Equity Share Capital of the Target Company to be purchased from the Selling Shareholders
SEBI/ Board	Securities and Exchange Board of India
SCCR	Securities Contracts (Regulation) Rules, 1957, and subsequent amendments thereto.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (SAST) Regulations/ SEBI (SAST) Regulations, 2011/ the Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto
Selling Shareholders/ Sellers	A. Sunil Surve B. Rishabh Enterprises Limited C. Bhairav Enterprises Limited D. Shri Guru En- Trade Limited
Stock Exchange/ BSE	BSE Limited
Sl. No./ Sr. No.	Serial Number
SPA / Agreement	Share Purchase Agreement entered into between the Acquirer and the Selling Shareholders dated Thursday, September 12, 2019
Target Company/ TC/ "MRUTR"	Mrugesh Trading Limited
Tendering Period	Period within which Shareholder(s) of the Target Company may tender their Equity Shares in acceptance to the Offer i.e., the period commencing from Thursday, November 07, 2019 and closing on Thursday, November 21, 2019.
Transaction	Acquisition of Sale Shares of the Target Company by the Acquirer from the Selling Shareholders at the negotiated price aggregating to Rs 8,64,600, (Rupees Eight Lakhs Sixty-Four Thousand Six Hundred Only), subject to the terms and conditions as mentioned in the SPA
Voting Rights	Shall mean the right to vote attached to the Equity Share Capital as defined in Section 47 (1) of the Companies Act, 2013
Wilful Defaulter	Any person who is categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India and includes any person whose director, promoter or partner is categorized as such.
Working Day	Working days of SEBI

*Note: All terms beginning with a Capital Letter used in this Draft Letter of Offer and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations, 2011 unless otherwise specified.*

## **2. DISCLAIMER CLAUSE**

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF MRUGESH TRADING LIMITED, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT 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 DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER ‘FEDEX SECURITIES PRIVATE LIMITED (FORMERLY KNOWN AS FEDEX SECURITIES LIMITED)’ HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED WEDNESDAY, SEPTEMBER 26, 2019 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT 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 offer is a mandatory offer under the Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 pursuant to substantial acquisition of Shares and Voting rights accompanied with change in control and management of the Target Company. This Offer has been triggered upon the execution of the Share Purchase Agreement (SPA).

3.1.2 On Thursday September 12, 2019, the Acquirer has entered into SPA with the Selling Shareholders forming part of the Promoter and Promoters Group of the Target Company (hereinafter collectively referred to “**Selling Shareholders**”) to acquire 72,050 fully paid-up Equity Shares (“**Sale Shares**”) of Rs. 10 each representing 29.41% of the total Paid Up and Voting Equity Share Capital of the Target Company at a Price of Rs. 12/- (Rupees Twelve Only) per Equity Share aggregating to Rs 8,64,600 (Rupees Eight Lakhs Sixty-Four Thousand Six Hundred Only) payable in cash, subject to the terms and conditions as mentioned in the SPA. The details of the Selling Shareholders are stated hereunder:

Name of the Promoter Seller	Address	Nature of Entity	Part of Promoter group	Details of equity shares / voting rights held by the selling shareholders			
				Pre-Transaction		Post Transaction	
				No. of Shares	%	No. of Shares	%
Sunil Surve	202, Vanashree CHSL, Near Datta Mandir Umele Gaon Umele, Bassein Road Vasai Thane – 401202, Maharashtra, India.	Individual	Yes	50	0.02	Nil	Nil
Rishabh Enterprises Limited	Warden House 340 J.J. Road Byculla, Mumbai-400008, Maharashtra, India.	Private Limited Company	Yes	24,000	9.80	Nil	Nil
Bhairav Enterprises Limited	Warden House 340, J.J. Road, Byculla, Mumbai-400008, Maharashtra, India.	Private Limited Company	Yes	24,000	9.80	Nil	Nil
Shri Guru En-Trade Limited*	Warden House 340 J.J. Road Byculla, Mumbai-400008, Maharashtra, India.	Private Limited Company	Yes	24,000	9.80	Nil	Nil
<b>TOTAL</b>				<b>72,050</b>	<b>29.41</b>	--	--

*\*The Board of Directors of Shri Gurudev En-Trade Limited has passed a resolution approving voluntarily delisting vide board meeting dated June 21, 2019. The shareholders of Shri Gurudev En-Trade Limited has passed a resolution for voluntary delisting by Postal Ballot dated as on July 27, 2019.*

- *The difference if any in the percentages is due to rounding-off*

3.1.3 As on the date of this DLOF, the Acquirer do not hold any Equity Shares and he does not have any other interest in the Target Company.

3.1.4 Pursuant to these events, the Acquirer are making this mandatory Offer in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, to acquire up to 1,10,250 (One lakh Ten Thousand Two Hundred and Fifty) Equity Shares of Face Value of Rs. 10/- each representing 45.00% (Forty- Five Percent Only) of the total Paid Up and Voting Equity Share Capital of the Target Company (the “Offer Size”).

- 3.1.5 This offer is not as a result of a global acquisition resulting in an indirect acquisition of the Target Company.
- 3.1.6 Neither the Acquirer nor Selling Shareholders have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.
- 3.1.7 There are no Person acting in Concert, with the Acquirer in relation to the offer within the meaning of Regulation 2 (1)(q) of the regulations and the equity shares tendered and accepted pursuant to the offer will be acquired by the Acquirer only
- 3.1.8 There is no separate arrangement for the proposed change in control of the Target Company.
- 3.1.9 The Acquirer may complete the acquisition of Equity Share and shall take control over the Target Company subsequent to expiry of 21 (Twenty-One) working days from the date of DPS of this Offers as per Regulation 22(2) of the SEBI (SAST) Regulations.
- 3.1.10 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, 2011, the board of directors of the Target Company is required to constitute a committee of Independent directors, to provide its written reasoned recommendation on the Offer, to the Public Shareholders of the Target Company and such recommendation shall be published at least two working days before the commencement of the Tendering Period, in the same newspapers where the public announcement was published and was simultaneously, a copy of the same shall be sent to- (a) The Board; (b) Stock exchanges on which the shares of the target company are listed and the stock exchanges shall forthwith disseminate such information to the public and (c) To the manager to the open offer.

**3.1.11 The salient features of the SPA are as follows:**

1. The Selling Shareholders have agreed to sell and transfer to the Acquirer and the Acquirer has agreed to purchase the Sale Shares in terms of the SPA
2. The Parties agree that the purchase of the Sale Shares by the Purchaser and the payment of the Purchase price by the Purchaser for the Sale shares shall take in the manner stated in the SPA.
3. The parties agree that the obligation of the Acquirer to purchase Sale Shares is conditional upon fulfillment of the Conditions Precedent set out in the SPA.
4. The sale and purchase of Sale Shares is subject to compliance with the provisions Takeover Regulations.
5. The Acquirer may complete the acquisition of Equity Shares and take control over the Target Company subsequent to expiry of twenty-one working days from the date of Detailed Public Statement of this Open Offer as per regulation 22(2) of SEBI (SAST) Regulations.
6. The Acquirer shall become the “Promoter” of the Target Company and shall be in control of the management, business and affairs of the Company on completion of Offer
7. As on the date of this Draft Letter of Offer, none of the person(s) forming part of the Board of Directors of the Target Company represent the Acquirer. In terms of the SPA, the promoter directors of the Target Company shall resign after the consummation of the transaction and the Sellers shall cause the Target Company to convene a meeting of its Board of Directors and take a note of the resignation of promoter directors of the Target Company and appoint the Acquirer as the new directors of the Target Company on the consummation of the transaction.

**Details of the Proposed Offer**

- 3.2.1 In accordance with Regulation 14(3) of SEBI (SAST) Regulations, 2011, the DPS was published in the following newspapers on Thursday, September 19, 2019.

<b>Name of the Newspapers</b>	<b>Language</b>	<b>Editions</b>
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Mitra	Marathi	Mumbai Editions

*A copy of the PA and the DPS are /will be available on the SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)). Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was filed through the Manager to the Offer with SEBI, BSE and the Target Company at its registered office.*

- 3.2.2 This Open Offer is being made under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 to all the Public Shareholders of the Target Company. Pursuant to the Offer, the Acquirer will acquire up to 1,10,250 (One lakh Ten Thousand Two Hundred and Fifty) Equity Shares representing 45.00% (Forty- Five Percent Only) of the total paid up and voting share capital of the Target Company at a price of Rs. 12/- (Rupees Twelve only) per Equity Share payable in cash subject to the terms and conditions set out in the DPS and DLOF that will be sent to all Public Shareholders of the Target Company.
- 3.2.3 As of the date of this Draft Letter of Offer, there are no: outstanding (i) partly paid-up Equity Shares; and (ii) convertible instruments (warrants / fully convertible debentures / partially convertible debentures) issued by the Target Company.
- 3.2.4 This Offer is not conditional upon any minimum level of acceptance from the Public Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011. All Equity Shares validly tendered by the Public Shareholders will be accepted at the Offer Price in accordance with the terms and conditions contained in the DPS and Draft Letter of 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, including all rights to dividend, bonus and rights offer declared from now on and hereafter.
- 3.2.5 The Acquirer have not acquired any Equity Shares of the Target Company after the date of PA, i.e. Thursday, September 12, 2019 and up to the date of this DLOF i.e. Thursday, September 26, 2019.
- 3.2.6 All Equity Shares validly tendered by the Public Shareholders will be acquired by the Acquirer only in accordance with the terms and conditions contained in the DPS and this Draft Letter of Offer. In the event that the Equity Shares validly tendered in the Open Offer by the Shareholders are more than the Offer Size, the acquisition of Equity Shares from each Shareholder will be on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner. The unaccepted shares will be returned to the respective shareholders in accordance with the schedule of activities for the Offer.
- 3.2.7 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer have appointed Fedex Securities Private Limited as the Manager to the Offer.
- 3.2.8 The Manager to the Offer, Fedex Securities Private Limited, does not hold any Equity Shares in the Target Company as on the date of this Draft Letter of Offer and is not related to the Acquirer and the Target Company in any manner whatsoever. 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.
- 3.2.9 The Acquirer has not acquired any Equity Shares from the date of the Public Announcement to the date of this Draft Letter of Offer (whether pursuant to the SPA, the Purchase Order or otherwise). The Acquirer shall disclose during the Offer Period any acquisitions made by the Acquirer of any Equity Shares of the Target Company in the prescribed form, to each of the Stock Exchanges and to the Target Company at its registered office within 24 (twenty four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI SAST Regulations. Provided that the acquirer and persons acting in concert with him shall not acquire or sell any shares of the target company during the period between three working days prior to the commencement of the tendering period and until the expiry of the tendering period.
- 3.2.10 In terms of Regulation 38 of SEBI (Listing Obligations and Disclosures 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. In accordance with the SEBI LODR Regulations, the present Offer after considering the SPA and the Open Offer may result in the public shareholding of the Target Company falling below the minimum level required as per the SEBI LODR Regulations for the purpose of listing on a continuous basis The Acquirer undertake to bring the public shareholding at minimum stipulated level i.e. 25% within the time

permitted under the Securities Contract (Regulation) Rules, 1957 and in accordance with Regulation 7(4) of SEBI (SAST) Regulations.

Further, the Acquirer 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 has elapsed from the date of completion of the Offer period as per Regulation 7(5) of SEBI (SAST) Regulations.

3.2.11 This Open Offer is not a competing offer and there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011

### 3.2 Objects of the Acquisition / Offer:

3.3.1 This Offer is being made by the Acquirer to all the Shareholders of the Target Company in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations. After the completion of this Open Offer and pursuant to the acquisition of Equity Shares under the SPA, the Acquirer will hold the majority of Equity Shares by virtue of which the Acquirer shall be in a position to exercise effective control over the management and affairs of the Target Company.

3.3.2 The main object of acquisition is to acquire substantial shares/voting rights accompanied by control over the Target Company. The Acquirers intend to expend the existing business of the Target Company and may also diversify into other areas to increase the Net Worth of the Target Company in accordance with the laws, Rules and Regulations

3.3.3 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, 2011, the Acquirer do not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of the Target Company in the succeeding two years from the completion of this Offer, except in the ordinary course of business. The Acquirer undertake that they will not restructure, sell, lease, dispose of or otherwise encumber any substantial assets of the Target Company other than in the ordinary course of business, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot and the notice of Postal Ballot will include the reasons for such alienation during the succeeding two years from the completion of this Offer.

## 4. BACKGROUND OF THE ACQUIRER

### 4.1.1 Rajdarbar Capital Private Limited (“The Acquirer”)

1. The Acquirer was incorporated in Calcutta under the name “**V K Fiscal Services Private Limited**” as a private limited company, under the provision of Companies Act, 1956 on June 13, 1991. The Corporate Identity Number of the Acquirer is **U67120UP1991PTC072465**.
2. The present registered office of the Acquirer is situated at Global Spaces Magtai near Shastripuram Agra – 282007, Uttar Pradesh, India. Following are the details with respect to the changes in the Registered Office of the Acquirer since its incorporation. Telephone:

From	To	Date of Shifting of Registered Office	Jurisdictions/ Limit of Registered Office	Certify Copy order Date	Certified by applicable Registrar
85 Metcalfe Street 4TH Floor Kolkata -700013 West Bengal India	6, Jawahar Lal Nehru 4th Floor, Kolkata-700013, West Bengal, India	August 25, 2009	Change within Local Limit	Not Applicable	Not Applicable
6, Jawahar Lal Nehru 4th Floor, Kolkata-700013, West Bengal, India	11 Ring Road, Lajpat Nagar - IV New Delhi - 110024, Delhi India	October 07, 2010	Change in state outside office of existing RoC	01 September 2010 passed by Before Company Law Board Kolkata Bench	Deputy Registrar of Companies of National Capital Territory of Delhi and Haryana on October 21, 2015
11 Ring Road, Lajpat Nagar -IV New Delhi -	12 Ring Road, Lajpat Nagar - IV New Delhi -	March 29, 2011	Change within Local Limit of city, town or village	Not Applicable	Not Applicable



From	To	Date of Shifting of Registered Office	Jurisdictions/ Limit of Registered Office	Certify Copy order Date	Certified by applicable Registrar
110024, Delhi India	110024, Delhi India				
12 Ring Road, Lajpat Nagar -IV New Delhi - 110024, Delhi India	Global Spaces, Magtai near Shastripuram, Agra-282007, Uttar Pradesh India	July 24, 2015	Change in state outside the jurisdiction existing RoC	July 06, 2015 Ordered passed by the Central Government.	Registrar of Companies, Kanpur on August 07,2015

- At the Extra-ordinary meeting held on held on September 07, 2018 the name of the Acquirer was changed from “**V K Fiscal Services Private Limited**” to “**Rajdarbar Capital Private Limited**” and a fresh Certificate of Incorporation was issued by Registrar on September 25, 2018. The Corporate Identification Number (CIN) of the Acquirer is **U67120UP1991PTC072465**.
- The telephone number of the Acquirer is + 91 7055117556 and its Email: [roc@globalrealty.co.in](mailto:roc@globalrealty.co.in)
- The Acquirer belongs to the Rajdarbar Group.
- The Acquirer is a Non – Banking Financial Company (not accepting public deposit) registered under Section 45 IA of the Reserve Bank of India Act 1934, The Acquirer has obtained certificate of registration bearing certificate of registration bearing certificate number B-12, 00460 dated August 28, 2017 (issued under lieu of earlier CoR B -05 01323 dated March 30, 1998). The principal activity carried on by the Acquirer is to Carry on is to make investment and lending. Acquirer have applied to RBI for issuing fresh license pursuant to name change.
- The Authorized Share Capital of the Acquirer is Rs. 12,00,00,000/- (Rupees Twelve Crore only) divided into 1,15,10,000 (One Crore Fifteen Lakhs Ten Thousand) Equity Shares of having face value of Rs 10/- (Rupees Ten) each having voting rights and 49,000 (Forty-Nine Thousand) Equity shares of having face value of Rs 100/- (Rupees One Hundred) each. The Paid- up share capital of the Acquirer as on the date of this Detailed Public Statement is Rs 11,33,08,600/- (Rupees Eleven crore Thirty-Three Lakhs Eight Thousand & Six Hundred Only).
- The scheme of Amalgamation approved by The High Court of Calcutta on 4<sup>th</sup> September, 2002. Pursuant to which the Acquirer have allotted 1,08,30,860 (One Crore Eight Lakhs Thirty Thousand Eight Hundred & Sixty) Equity shares of face value of Rs 10/- (Rupees Ten only) each for consideration other than cash.
- The shareholding pattern of Acquirer as on the date of this Draft Letter of Offer is as under:

Sr No.	Name of Shareholders	No of Equity Shares having face value of Rs 10/- each	Percentage (%)	No of Equity Shares having face value of Rs 100/- each	Percentage (%)
Promoters					
1	Amita Garg	16,24,600	14.99	49,000	100.00
2	Vasudev Garg	75,42,660	69.58		
3	Chaitanya Garg	8,36,800	7.72		
4	Radhika Garg	8,36,800	7.72		
	<b>Total</b>	<b>1,08,40,860</b>	<b>100.00</b>	<b>49,000</b>	<b>100.00</b>

- There are no Person acting in Concert, with the acquirer in relation to the offer within the meaning of Regulation 2 (1) (q) of the regulations and the equity shares tendered and accepted pursuant to the offer will be acquired by the Acquirer only
- The Acquirer undertakes that he will not sell the Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- The board of directors of the Acquirer as on date of this Draft Letter of Offer is comprised as under:

Sr No.	Name of the Director	Designation	DIN	Date of Appointment	Qualifications & Experience
1	Ashok Tiwari	Director	05348343	May 28, 2018	BSC (Honors) He has overall experience of 29 years in the field of Marketing and Research.
2	Dhirendra Singh	Director	07730149	May 28, 2018	Master of Business Administration. He has overall experience of 24 years in the field of Commercial and Business Development.

13. As on the date of this Draft Letter of Offer, there are no directors of the Target Company representing Acquirer.
14. The Acquirer key financial information of the Acquirer based on its audited financials which has been audited by the Acquirer's Statutory Auditor, M/s Sanjeev Gaurav & Associate, Chartered Accountant for the Financial years ended on March 31 of 2019, 2018 & 2017.

**(Rupees in Amount)**

Particulars	Financial Year ended on		
	March 31, 2019	March 31, 2018	March 31, 2017
<b>Profit &amp; Loss Statement</b>			
Income from Operation	85.33	96.54	43.00
Other Income	0.00	0.00	7.68
<b>Total Income</b>	<b>85.33</b>	<b>96.54</b>	<b>50.68</b>
Total Expenditure	83.24	94.61	51.90
Profit Before Depreciation Interest, Exceptional Items and Tax	2.10	1.93	(1.22)
Depreciation	0.07	0.09	0.03
Exceptional Items	0.00	0.00	4.64
Finance Cost	0.04	0.02	5.05
Interest	0.00	0.00	0.00
Profit/(Loss) Before Tax	1.99	1.82	(1.66)
Provision for Tax	4.65	10.50	11.22
Profit/ (Loss) After Tax	2.66	8.68	12.87
<b>Balance Sheet Statements</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Sources of Funds</b>			
Paid up share Capital	1,133.09	1,133.09	1,133.09
Reserves and Surplus (excluding Revaluation reserves)	129.21	131.87	140.55
<b>Networth</b>	<b>1,262.30</b>	<b>1,264.96</b>	<b>1,273.64</b>
Secured Loans	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	110.18
Trade Payable	4.24	4.27	2.19
Other Current Liabilities	16,226.56	11,736.44	12,008.52
<b>Total</b>	<b>17,493.42</b>	<b>13,005.67</b>	<b>13,394.53</b>
<b>Uses of Fund</b>			
Net fixed Asset	0.77	0.84	0.92
Investment	2,828.55	2,828.54	2,728.54
Deferred Tax Assets (Net)	14.81	19.46	29.96
Long Term Loan and Advances	6,402.39	5,917.59	7,818.65
Net Current assets	8,246.90	4,239.24	2,816.46
Total miscellaneous expenditure not written off	0.00	0.00	0.00

Particulars	Financial Year ended on		
	2010-11	2011-12	2012-13
<b>Total</b>	17,494.71	13,005.67	13,394.53
<b>Other Financial Data</b>			
Dividend (%)	NA	NA	NA
Earnings Per Share	<b>(0.02)</b>	<b>(0.08)</b>	<b>(0.11)</b>

#### Contingent Liabilities

##### (i) Pending Litigations:

Sr No.	Name of Statue	Default Section	Amount (in Rs)	Period to which demand relates (A/Y)	Forum where dispute is pending
1.	Income Tax	143(3)	15,43,020/-	2010-2011	ITAT, New Delhi

As per explanation provide by the management on demand outstanding on Income Tax – CPC Portal, order of ITAT, New Delhi has been passed in favour of company still appeal effect of the same is not provided by the Department, proper follow up has been taken by the management to cancel the same.

##### (ii) Guarantee provided in case of others

Bank Guarantee of Rs 5,20,00,000/- for loan taken by Rajdarbar Buildcon Pvt Ltd (Formerly known as Daffodil Buildcon Private Limited) has been given by the company.

15. The Equity shares of the Acquirer is not listed on any Stock Exchange in India or overseas.
16. Other than the transaction detailed in Clause 3 (Details to the offer), which has triggered this offer, pursuant to which the Acquired the Equity Shares in the Target Company, as on date of this Detail Public Statement, the Acquirer is neither a promoter nor a part of the Promoter Group of the Target Company and neither the Acquirer nor any of its directors or its Key Managerial Personnel hold any ownership/interest in the Target Company.
17. The Acquirer has not been prohibited by SEBI from dealing in securities in terms of any directions issued under Section 11B of Securities and Exchange Board of India Act, 1992 (“SEBI Act”) as amended or under any regulation made under the SEBI Act.
18. The Acquirer does not hold any shareholding in the Target Company neither a Promoter nor a part of the promoter group of the Target Company
19. The Acquirer has not been categorized as a ‘willful defaulter’ issued by any bank, financial institution, or consortium thereof in accordance with guidelines on willful defaulters issued by RBI.
20. The Promoter, Directors & Key Managerial Personnel of the Acquirer has not been categorized as a “Fugitive Economic Offender” under section of the Fugitive Economic Offenders Act, 2018.
21. The Acquirer has sufficient resources to fulfil the obligations under this Offer.
22. The provisions of chapter V of the SEBI (SAST) Regulations and subsequent amendments thereto are not applicable to the Acquirer

## 5. BACKGROUND OF THE TARGET COMPANY: MRUGESH TRADING LIMITED (“TARGET COMPANY” OR ‘MRUTR” OR “TC”)

1. The Target Company was incorporated on December 07, 1984 under the Companies Act, 1956 in the name and style as **Mrugesh Trading Limited**. The Equity shares of the Target Company are listed on BSE Ltd. The CIN of the Target Company is **L74999MH1984PLC034746**. The ISIN of the Target Company is **INE738D01011**.
2. The registered office of the Target Company is situated at Warden House, 340 J.J. Road, Byculla, Mumbai- 400008, Maharashtra, India Tel. No. +91- 022-23027900, Telefax No.: +91-022-23077231.
3. As on the date of this DLOF, the authorised, Subscribed and Paid up share capital of Mrugesh Trading Limited is Rs 24,50,000/- (Rupees Twenty-Four Lakhs Fifty Thousand Only) consisting of 2,45,000 (Two Lakhs Forty-Five Thousand) of Equity Shares of Rs. 10/- (Ten) each.
4. The entire Capital of 2,45,000 (Two Lakhs Forty-Five Thousand) Equity Shares of Face Value Rs. 10/- (Ten) each of Target Company are listed on BSE Limited.

5. The Equity Shares of the Target Company are currently listed & traded on BSE only. The Shares are placed under Group XT having a Scrip Code as “512065” and Security ID as “MRUTR”. The shares are currently listed on BSE Limited under GSM Stage 0.
6. The Equity Shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE.
7. 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.
8. As on date of this DLOF, there is no subsidiary or holding company of the Target Company.
9. There has been no merger, de-merger and spin off in the last three years in the Target Company.
10. As on the date, the Target Company does not have any outstanding partly paid up Equity Shares or any other convertible instruments, convertible into Equity Shares at a future date.
11. The Main object of target company is trading in all types of commodities including pulses, rice, etc.
12. As on date of this Draft Letter of Offer, the capital structure of the Target Company is as follows:

<b>Paid up Equity Shares of the Target Company</b>	<b>No. of Equity Shares/ Voting rights</b>	<b>% of Equity Shares /Voting rights</b>
Fully Paid up Equity Shares	2,45,000 of Rs. 10/- each	100.00%
Partly Paid up Equity Shares	Nil	Nil
Total Paid up Equity Shares	2,45,000 of Rs. 10/- each	100.00%
<b>Total Voting Rights in Target Company</b>	<b>2,45,000 of Rs. 10/- each</b>	<b>100.00%</b>

13. The present Board of Directors are as follows:

<b>Sr. No</b>	<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Date of Appointment</b>
1)	Sunil Surve	Director	00065166	March 03, 1995
2)	Avni Shroff	Non-Executive (Independent) Director	07310330	October 30, 2015
3)	Navneet Dammani	Non-Executive (Independent) Director	05269979	March 31, 2015
4)	Krishna Jain	Non-Executive (Independent) Director	06956461	August 25, 2014

14. Brief Audited Financial Information of MRUTR as per the Audited Accounts for the Financial Year ended March 31, 2019, March 31, 2018 & March 31, 2017.

<b>Particulars</b>	<b>(Amount in Lakhs)</b>		
	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>Audited (₹)</b>	<b>Audited (₹)</b>	<b>Audited (₹)</b>
<b>Profit &amp; Loss Statement</b>			
Revenue from Operations	0.27	-	9.50
Other Income	0.97	1.02	1.12
<b>Total Income</b>	<b>1.24</b>	<b>1.02</b>	<b>10.62</b>
<b>Total Expenditure</b>	<b>5.22</b>	<b>4.94</b>	<b>4.47</b>
<b>Profit before Depreciation, Interest &amp; Tax</b>	<b>(3.98)</b>	<b>(3.92)</b>	<b>6.15</b>
Depreciation	-	-	-
Finance Costs	1.63	2.06	2.02
<b>Profit / (Loss) before Tax</b>	<b>(5.61)</b>	<b>(5.98)</b>	<b>4.13</b>
Provision for Tax (inc Deferred Tax & Tax for earlier years)	-	-	0.03
<b>Profit / (Loss) after Tax</b>	<b>(5.61)</b>	<b>(5.98)</b>	<b>4.10</b>

(Amount in Lakhs Except EPS)			
Particulars	31.03.2019	31.03.2018	31.03.2017
	Audited (₹)	Audited (₹)	Audited (₹)
<b>Balance Sheet Statement</b>			
<b>Sources of Funds</b>			
Paid-Up Share Capital	24.50	24.50	24.50
Reserves & Surplus (Excluding Revaluation Reserves)	5.01	5.57	(9.00)
<b>Net Worth</b>	<b>29.51</b>	<b>30.07</b>	<b>15.50</b>
Secured Loans	-	-	-
Unsecured Loans	14.80	26.45	29.05
Current Liabilities	18.26	16.92	16.96
<b>Total</b>	<b>62.57</b>	<b>73.44</b>	<b>61.51</b>
<b>Uses of Funds</b>			
Net Fixed Assets	-	-	-
Non-Current Assets	44.06	54.74	37.78
Other Current Assets	18.51	18.70	23.73
Total Miscellaneous Expenditure Not Written Off	-	-	-
<b>Total</b>	<b>62.57</b>	<b>73.44</b>	<b>61.51</b>
<b>Other Financial Data</b>			
Dividend (%)	-	-	-
Earnings Per Equity Share	(2.29)	(2.44)	1.67
Return on Net worth	(19.01%)	(-19.89%)	26.45%
Book Value per share	12.04	12.27	6.33

- *Net worth = Equity Share Capital + Reserves and Surplus - Misc. Expenses*
- *EPS = Profit after Tax / No. of shares outstanding*
- *Return on Net worth = Profit after Tax / Net worth*
- *Book Value per share = Net worth / No. of shares outstanding*

15. Acquirer have not acquired any Equity Shares after date of PA till the date of Draft Letter of Offer.
16. There is no contingent liability of the Company as on March 31, 2019
17. Pre and Post Shareholding pattern of the Target Company as on the date of the Draft Letter of Offer is as follows:

Shareholders' Category	Shareholding and voting rights prior to the SPA/ acquisition and Offer		Shares / voting rights agreed to be acquired which triggered off the Offer		Shares/ voting rights to be acquired in Offer (assuming full acceptances)		Shareholding / voting rights after the acquisition and Offer	
	(A)		(B)		(C)		D = (A)+(B)+(C)	
	No.	%	No.	%	No.	%	No.	%
<b>1. Promoter &amp; Promoter Group</b>								
a) Parties to SPA								
Sunil Surve	50	0.02	(50)	(0.02)	Nil	N.A.	Nil	N.A.
Shri Guru dev En Trade Limited	24,000	9.80	(24,000)	(9.80)	Nil	N.A.	Nil	N.A.

Shareholders' Category	Shareholding and voting rights prior to the SPA/ acquisition and Offer		Shares / voting rights agreed to be acquired which triggered off the Offer		Shares/ voting rights to be acquired in Offer (assuming full acceptances)		Shareholding / voting rights after the acquisition and Offer	
Bhairav Enterprises Limited	24,000	9.80	(24,000)	(9.80)	Nil	N.A.	Nil	N.A.
Rishabh Enterprises Private Limited	24,000	9.80	(24,000)	(9.80)	Nil	N.A.	Nil	N.A.
	72,050	29.41	(72,050)	(29.41)	Nil	N.A.	Nil	N.A.
<b>b) Promoters other than 'a' above</b>	Nil							
<b>Total (1) (a+b)</b>	72,050	29.41	(72,050)	(29.41)	-	-		
<b>2.Acquirer</b>								
<b>A. Acquirer</b>								
Rajdarbar Capital Private Limited			72,050	29.41	1,10,250	45.00	1,82,300	74.41
<b>3.Parties to agreement other than 1(a)&amp; (2)</b>	Nil	N.A.	Nil	N.A.	Nil	N.A.	Nil	N.A.
<b>4.Public (other than parties to SPA)</b>								
A. FIs / MFs / FIIs/ Banks	-	-			(1,10,250)	(45.00)	62,700	25.59
B. Others	1,72,950	70.59	-	-				
<b>Total (4) (A+B)</b>	<b>1,72,950</b>	<b>70.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,700</b>	<b>25.59</b>
<b>Grand Total (1+2+3+4)</b>	<b>2,45,000</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,45,000</b>	<b>100.00</b>

Notes:

- Pre-Shareholding Pattern is based on quarter ending June, 2019.
- All percentages are calculated on the Total Equity Paid up Shares Capital of the Target Company, as on 10th working day after closing of tendering period.

18. SEBI may initiate appropriate action against the existing Promoters of Target Company in terms of SEBI (SAST) Regulations, 2011 and provisions of the SEBI Act for the certain delayed compliances of SEBI (SAST) Regulations, 2011.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 Justification of Offer Price

6.1.1 This Open Offer is being made under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 as a result of execution of the SPA for the acquisition of more than 25% of the Equity Shares and voting rights along with the acquisition of control over the management of the Target Company by the Acquirer. The equity shares of the Target Company are listed on BSE and are not suspended from trading on the Stock Exchange. 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.

6.1.2 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 (September 01, 2018 to August 31, 2019) 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	Nil	2,45,000	Nil

Source: [www.bseindia.com](http://www.bseindia.com).

- 6.1.3 Based on above, the Equity Shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE.
- 6.1.4 The Offer Price of Rs 12/- per fully paid up Equity Share is justified in terms of Regulation 8(2) of the SEBI Takeover Regulations, being the highest of the following:

Sr. No	Particular	Amount
A.	Negotiated Price per Equity Share under the Share Purchase Agreement attracting the obligation to make a Public Announcement of an open offer;	12/-
B.	The volume-weighted average price paid or payable for acquisitions by the Acquirer during the fifty-two weeks immediately preceding the date of the Public Announcement.	NA
C.	The highest price paid or payable for any acquisition by the Acquirer during the twenty-six weeks immediately preceding the date of the Public Announcement.	NA
D.	The volume-weighted average market price of Equity Shares for a period of sixty (60) trading days immediately preceding the date of the Public Announcement as traded on BSE, being Stock Exchange where the Equity Shares of the Target are listed.	<b>Not Applicable as Equity Shares are infrequently Traded</b>
E.	Since the Equity Shares are not frequently traded, the price determined by the Acquirer 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	12/-*

\*Sudhir Kumar (Membership No. 501230) Proprietor of M/s. Sudhir Kumar & Company, Chartered Accountants, Firm Registration Number 026296N having office at Shop No FF-443, Ansal Sumanglam Building, RDC, Raj Nagar, Ghaziabad- 201001, Tel. No. 91 9811640380 vide certificate dated September 12, 2019 has certified that the fair value of the Equity Share of the Mrugesh Trading Limited is Rs.12/- (Rupees Twelve only) per fully paid up Equity Shares based on Net Asset Value method .

- 6.1.5 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.
- 6.1.6 In the event of further acquisition of Equity Shares of the Target Company by the Acquirer 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, Acquirer 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.
- 6.1.7 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 the Shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition under Regulation 8(10) of the SEBI (SAST) Regulations. 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.

- 6.1.8 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 Acquirer 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, such revision shall be done up to the period prior to one working day 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.
- 6.1.9 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 one working day 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.
- 6.1.10 There is no non-compete agreement and hence no non-compete fee has been paid.
- 6.1.11 The Acquirer have not acquired any Equity Shares of the TC from the date of PA up to the date of this Draft Letter of Offer.

## **6.2 Financial Arrangement**

6.2.1 Total consideration payable to acquire up to 1,10,250 (One Lakh Ten Thousand Two Hundred & Fifty) Equity Shares from the Public Shareholders of the Target Company at the Offer Price of Rs. 12 (Rupees Twelve only) per Equity Share, assuming full acceptance of the Offer would be Rs. 13,23,000/- (Rupees Thirteen Lakhs Twenty-Three Thousand Only) (**‘Maximum Consideration’**).

6.2.2 In terms of Regulation 25(1), the Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of his own sources/ net worth and no borrowings from any Bank and/or Financial Institutions are envisaged.

6.2.3 Sudhir Kumar, Sudhir Kumar (Membership No: 501230) Proprietor of Sudhir Kumar & Company, Chartered Accountants, Firm Registration Number 026296N, having office at Shop No- FF443, Ansal Sumanglam Building, RDC, Raj Nagar, Ghaziabad-201001, Tel. No.+91-9811640380, Email id:acakumarsudhir@gmail.com has certified vide his certificate dated September 12, 2019 that sufficient resources are available with the Acquirer for fulfilling the obligations under this Offer in full.

6.2.4 The Acquirer, the Manager to the Offer and IndusInd Bank, a banking corporation incorporated under the laws of India, acting through its branch office at IndusInd Bank Limited, Premises No. 1, Sonawala Building 57, Mumbai Samachar Marg, Fort, Mumbai – 400001, have entered into an Escrow Agreement for the purpose of the Offer (the **“Escrow Agreement”**) dated September 12, 2019. Pursuant to the Escrow Agreement and in compliance with the Regulation 17(1) of the SEBI Takeover Regulations, The Acquirer has opened Escrow Account in the name of - MRUGESH TRADING LTD OPEN OFFER CASH ESCROW ACCOUNT having its account number - 250557778453 and deposited sum of Rs. 15,10,000/- (Rupees Fifteen Lakhs Ten Thousand Only), being an amount equivalent to more than 45.00% of the value of the total consideration payable under the Offer (assuming full acceptance) in cash.

6.2.5 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

6.2.6 Based on the aforesaid financial arrangements, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfill the Acquirer’s obligations through verifiable means in relation to this Offer in accordance with the Regulations.

6.2.7 In case of any upward revision in the Offer Price and/or the Offer Size, the value of the Escrow Amount shall be computed on the revised consideration calculated at such revised Offer Price or Offer Size and any additional amounts required will be funded via cash in the Escrow Account by the Acquirer prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.



## 7. TERMS AND CONDITIONS OF THE OFFER

### 7.1 Operational Terms and Conditions

- 7.1.1 This Offer is being made by the Acquirer to the Public Shareholders (i) whose names appear in the register of members of the Target Company (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective depositories, as of the close of business; and as on Identified date Wednesday October 23, 2019.
- 7.1.2 This Offer is not conditional upon any minimum level of acceptances from Shareholder(s) in terms of Regulation 19 of SEBI (SAST) Regulations, 2011.
- 7.1.3 This offer is not competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
- 7.1.4 The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
- 7.1.5 The Letter of Offer together with the Form of Acceptance-cum-Acknowledgment (Form of Acceptance) shall be mailed to all the shareholders of the Target Company (*except the Acquirer and Promoters of the Target Company*) whose names appear on the register of members of the Target Company and to the owners of the equity shares of the Target Company whose names appear as beneficiaries on the record of the respective depositories, at the close of business on the Identified Date i.e. Wednesday October 23, 2019
- 7.1.6 Accidental omission to dispatch the Letter of Offer to any Equity Shareholder entitled under this Open Offer or nonreceipt of the Letter of Offer by any Equity Shareholder entitled under this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Equity Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with Form of Acceptance-cum-Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of closing of Tendering Period.
- 7.1.7 The copy of Letter of Offer (including Form of Acceptance) will also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in) and Public Shareholders may also download (LOF along with form of Acceptance) from the website.
- 7.1.8 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 7.1.9 The acceptance of this offer is entirely at the discretion of the shareholders
- 7.1.10 By accepting this offer, the shareholders confirm they are not person acting in concert with the acquirer or the sellers for the purpose of this Offer.
- 7.1.11 The decision on acceptance of equity shares tendered in this Offer will be made by the acquirer in consultation with the Manager to the Offer.
- 7.1.12 Neither the Acquirer nor the Manager to the Offer or the Registrar to the Offer accepts any responsibilities in any manner for any loss of offer acceptance documents, etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.13 Applications in respect of Equity Shares of the Target Company that are subject matter of litigation wherein the Public Shareholders of the Target Company may be prohibited from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer. The Letter of Offer in such cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities
- 7.1.14 In terms of the Regulation 18(9) of the SEBI (SAST) Regulations, 2011, Public Shareholders who have accepted this Open Offer by tendering their equity shares and requisite documents in terms of the PA, DPS and Letter of Offer shall not be entitled to withdraw such acceptance during the tendering period.

- 7.1.15 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.16 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms and conditions of this Offer.
- 7.1.17 Each Public Shareholder to whom this Offer is being made is free to offer the Equity Shares held by him in whole or in part while accepting this Offer
- 7.1.18 This Offer is subject to the receipt of the statutory and other approvals as mentioned in this Draft Letter of Offer. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, if the statutory approvals are refused, the Offer would stand withdrawn.

## **7.2 Locked-In Shares**

As on date of this Draft Letter of Offer, the Target Company does not have any Equity Shares under lock-in.

## **7.3 Eligibility for Accepting the Offer**

- 7.3.1 The Letter of Offer shall be sent to Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified date i.e. Wednesday October 23, 2019. Accidental omission to dispatch the Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.3.2 Public Shareholders can participate in the Offer by offering their shareholding in whole or in part. The acceptance must be unconditional and should be absolute and unqualified. No indemnity shall be required from the unregistered shareholders. Incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.3.3 The PA, the DPS, this DLOF and the Letter of Offer will also be available on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified date, may download the Letter of Offer from the website of SEBI for applying in the Offer.
- 7.3.4 The Acquirer reserve the right to revise the Offer Price and/or the Offer Size upwards before at least 1 (One) Working Days prior to the commencement of the Tendering Period, i.e. up to Wednesday November 06, 2019, in accordance with the SEBI (SAST) Regulations 2011 and the revision, if any, in the Offer Price would be announced in the newspapers. The Acquirer would pay such revised price for all the shares validly tendered during the Tendering Period and accepted under the Offer in accordance with the terms of the Letter of Offer.
- 7.3.5 The decision on acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 7.3.6 By accepting this offer, the Public Shareholders confirm that they are not persons acting in concert with the Acquirer for the purpose of this Offer

## **7.4 Statutory and other Approvals:**

- 7.4.1 To the best of the knowledge and belief of the Acquirer, as on the date of this DLOF, there are no statutory or other approvals required to implement the Offer. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused, in terms of Regulation 23 of SEBI (SAST) Regulations, 2011. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which the DPS appeared.
- 7.4.2 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs and FPIs) were required to obtain any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such

previous approvals, that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or on non-repatriable basis.

- 7.4.3 In case of delay in receipt or non-receipt of any statutory approval(s) becoming applicable prior to completion of the Offer, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations, 2011 will also become applicable and the amount lying in the escrow account shall become liable to forfeiture. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 7.4.4 There are no conditions stipulated in the SPA between the Selling Shareholders and the Acquirer, the meeting of which would be outside the reasonable control of the Acquirer and in view of which the Offer might be withdrawn under regulation 23 of the SEBI (SAST) Regulations.

## 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

### 8.1 Details of procedure for acceptance and settlement in the Offer

- 8.1.1 The Acquirer have appointed Link Intime India Private Limited as the Registrar to the Offer. The details are as follow

Name & Address
<p><b>Link Intime India Private Limited</b>            C-101, 1<sup>ST</sup> Floor, 247 Park, LBS Marg, Vikhroli (West) Mumbai – 400 083  <b>Tel:</b> 022 49186200 <b>Fax No:</b> +91 22 49186195  <b>Email:</b> <a href="mailto:mrugeshtrading.offer@linkintime.co.in">mrugeshtrading.offer@linkintime.co.in</a>  <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>  <b>Investor Grievance id:</b> <a href="mailto:mrugeshtrading.offer@linkintime.co.in">mrugeshtrading.offer@linkintime.co.in</a>  <b>SEBI Registration Number:</b> INZ000004058  <b>Contact Person:</b> Sumeet Deshpande</p>

- 8.1.2 The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism as provided under the SEBI (SAST) Regulations and circular No. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and BSE notice no. 20170202-34 dated February 2, 2017, as amended
- 8.1.3 The Target Company is presently having connectivity with Central Depository Services (India) Limited and National Securities Depositories Limited
- 8.1.4 BSE will be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
- 8.1.5 The Acquirer shall request BSE to provide a separate acquisition window (“Acquisition Window”) to facilitate placing of sell orders by Public Shareholders who wish to tender their Equity Shares in the Open Offer.
- 8.1.6 The Offer is being made to all the registered and unregistered Public Shareholders of the Target Company who own the Equity Shares at any time prior to the closure of Tendering Period, including the beneficial owners of the Equity Shares held in dematerialized form, except Acquirer and Selling Shareholders including persons deemed to be acting in concert with them in terms of Regulation 7(6) of SEBI (SAST) Regulations, 2011.
- 8.1.7 The Acquirer has appointed Nikunj Stock Brokers Limited on September 13, 2019 (‘**Buying Broker**’) for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the Tendering Period. The Contact details of the Buying Broker are as mentioned below:

Particular	Details
<b>Name of the Contact Person</b>	Nikunj Stock Brokers Limited
<b>Address</b>	A-92, Ground Floor, Left Portion, Kamla Nagar, New Delhi-110007
<b>Tel No</b>	011 – 47030015-16
<b>Fax No</b>	011- 23845102
<b>Email</b>	<a href="mailto:info@nikunjonline.com">info@nikunjonline.com</a>
<b>Website</b>	<a href="http://www.nikunjonline.com">www.nikunjonline.com</a>
<b>Investor Grievance Email id</b>	ig.nikunj@nikunjonline.com
<b>SEBI Registration No</b>	INZ000169335
<b>Contact Person</b>	Pramod Kumar Sultania

- 8.1.8 All Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stock brokers (**‘Selling Broker(s)’**), during the normal trading hours of the secondary market during the Tendering Period. Separate Acquisition window will be provided by BSE to facilitate placing of sell orders.
- 8.1.9 The Selling Brokers can enter orders for **dematerialized Equity Shares only**. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the BSE during the Tendering period.
- 8.1.10 The Selling Broker would be required to place an order on behalf of the Shareholders who wish to tender their Equity Shares in the Offer using the acquisition window of the BSE. Before placing the bid, the concerned Public Shareholder / Selling Broker would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation by using the settlement number and the procedure prescribed by the Clearing Corporation.
- 8.1.11 The Selling Broker shall provide early pay-in of demat shares to the Clearing Corporation before placing the bids/orders and the same shall be validated at the time of order entry.
- 8.1.12 For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.1.13 Public Shareholders can tender their Equity Shares only through a stock broker with whom the Public Shareholder is registered as client (KYC Compliant).
- 8.1.14 The Shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.
- 8.1.15 The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the opening of the Offer.
- 8.1.16 Upon placing the order, the Selling Broker(s) shall provide transaction registration slip (“TRS”) generated by the Exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.
- 8.1.17 In the event Seller Broker(s) are not registered with BSE or if the Shareholder do not have any stock broker then that Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Shareholder may approach Buying Broker viz. Nikunj Stock Brokers Limited, to bid by using quick UCC facility. The Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

#### **I. In case of shareholder being an Individual:**

- a) If Shareholder is registered with KYC Registration Agency (“KRA”): Documents required:**

- Central Know your Client (CKYC) form including FATCA, IPV, OSV if applicable.
- Know your Client (KYC) form Documents required (all documents self -attested)
- Bank details (cancelled cheque)
- Demat details (Demat Master /Latest Demat statement)

**b) If the Eligible Public Shareholder is not already registered with a KRA, the following documents will be required to be submitted (duly filled and completed):**

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
  - PAN card copy
  - Address proof
  - Bank details (cancelled cheque)
- Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

**II. In case of shareholder being an HUF:**

**a) If Shareholder is registered with KYC Registration Agency (“KRA”): Documents required:**

- Central Know your Client (CKYC) form of Karta including FATCA, IPV, OSV if applicable.
- Know your Client (KYC) form Documents required (all documents self -attested)
- Bank details (cancelled cheque)
- Demat details (Demat Master /Latest Demat statement)

**b) If Shareholder is not registered with KRA: Documents required:**

- CKYC form of Karta including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
  - PAN card copy of HUF and Karta
  - Address proof of HUF and Karta
  - HUF Declaration
  - Bank details (cancelled cheque)
- Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

**III. In case of shareholder other than Individual and HUF:**

**a) If Shareholder is registered with KYC Registration Agency (“KRA”): Documents required:**

- Know Your Client (KYC) form Documents required (all documents certified true copy)
- Bank details (cancelled cheque)
- Demat details (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof

- Last 2 years financial statements
- b) If Shareholder is not registered with KRA: Documents required:**
  - KRA form
  - Know Your Client (KYC) form Documents required (all documents certified true copy):
    - PAN card copy of company/ firm/trust
    - Address proof of company/ firm/trust
  - Demat details (Demat Master /Latest Demat statement)
  - FATCA, IPV, OSV if applicable
  - Latest list of directors/authorised signatories /partners/trustees
  - PAN card copies & address proof of directors/ authorized signatories/ partners/ trustees
  - Latest shareholding pattern
  - Board resolution/partnership declaration
  - Details of ultimate beneficial owner along with PAN card and address proof
  - Last 2 years financial statements
  - MOA/Partnership deed /trust deed

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

## **8.2 Details of procedure for tendering Equity shares held in dematerialized**

- 8.2.1 The Equity shareholders who are holding the equity shares in demat form and who desire to tender their Equity shares in this offer shall approach their broker indicating to their broker the details of equity share they intend to tender in Open Offer.
- 8.2.2 Equity Shareholders shall submit Delivery Instruction Slips (DIS) duly filled in specifying the appropriate market type in relation to the Open Offer and execution date along with all other details to their respective depository participant / Selling Broker so that Equity Shares can be tendered in this Offer.
- 8.2.3 The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry
- 8.2.4 For custodian participant, orders for Demat equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.2.5 The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the opening of the Offer
- 8.2.6 Modification / cancellation of orders will not be allowed during the period the Offer is open.
- 8.2.7 The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the Tendering Period
- 8.2.8 The shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.
- 8.2.9 ***The Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement. The Shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.***

## **8.3 Procedure to be followed by the Shareholders holding Equity Shares in physical form:**

- As per the provision of Regulation 40(1) of the SEBI (Listing Obligation and Disclosure Requirement ) Regulation, 2015 read with Press Release (PR) no 51/2018 dated December 03, 2018 and Press Release (PR) no 12/2019 dated March 27, 2019, request for transfer of securities shall not

be processed unless the securities are held in dematerialized form with depository with depository w.e.f. April 01, 2019.

- According, the public shareholders who are holding Equity Shares in physical form and are desirous of tendering their equity shares in the Offer can do so only after the equity shares are dematerialized. Such Public Shareholders are advised to approach any depository participant to have their Equity shares dematerialized.

#### **8.4 Procedure for tendering the Equity Shares in case of non-receipt of Letter of Offer:**

- Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open.
- A Eligible Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender Shares in the Open Offer as per the procedure mentioned in this Draft Letter of Offer.
- The Letter of Offer will be mailed/dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the equity shares of the Target Company. The Letter of Offer would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in).
- Non-receipt of the LOF by, or accidental omission to dispatch this LOF to any shareholder, shall not invalidate the Offer in any way.
- The acceptance of the Offer made by the Acquirers is entirely at the discretion of the Eligible Shareholders of the Target Company. The Acquirers do not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Acquirers will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

#### **8.5 Acceptance of shares**

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. The acceptance of Shares tendered in the Offer will be made by the Registrar in consultation with the Manager to the Offer.

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

**The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement would also be available at SEBI website i.e. [www.sebi.gov.in](http://www.sebi.gov.in) and Shareholders can also apply by downloading such forms from the said website.**

#### **8.6 Settlement Process**

- 8.6.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.
- 8.6.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.6.3 Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of Clearing Corporation.

- 8.6.4 The direct credit of Shares shall be given to the demat accounts of the Acquirer indicated by the Acquirer' Buying Broker. For the same, the existing facility of client direct payout in the capital market segment shall be available
- 8.6.5 Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirer.
- 8.6.6 In case of partial or non-acceptance of orders or excess pay-in, demat shares shall be released to the securities pool account of the Selling Broker(s)/custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.
- 8.6.7 Equity Shares to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the Shareholders to ensure that the unaccepted shares are accepted by their respective DPs.
- 8.6.8 It may be noted that the Equity Shareholders who have tendered Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the Tendering Period even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed.
- 8.7 Settlement of Funds/Payment Consideration (For Shareholders holding Equity Shares in demat)**
- 8.7.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- 8.7.2 The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Offer, the Seller Broker/custodian participant will receive funds payout in their settlement bank account. The Seller Brokers/custodian participants would pay the Consideration to their respective clients.
- 8.7.3 The funds received from Buyer Broker by the Clearing Corporation will be released to the Seller Broker(s) as per secondary market pay out mechanism.
- 8.7.4 Shareholders who intend to participate in the Offer should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Consideration received by the Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholder.
- 8.7.5 In case of delay/ non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.
- 8.7.6 Shareholders of the Target Company who are either non-resident Indians or Overseas Corporate Bodies and wish to tender their Equity Shares in this Open Offer shall be required to submit all the applicable Reserve Bank of India ("RBI") approvals (specific and general) which they would have obtained at the time of their acquisition of the Equity Shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirer reserve the sole right to reject the Equity Shares tendered by such Shareholders in the Open Offer. This Open Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirer from NRIs and OCBs. While tendering the Equity Shares under the Open Offer, NRIs/OCBs/foreign 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.



## 8.8 NOTE ON TAXATION

8.8.1 THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW.

ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW. THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX

### 8.8.2 General

- a. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) as also income received by such persons in India. In case of shares of a company, the source of income from shares will depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.
- b. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act.
- c. Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- d. The Income Tax Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- e. The summary of income-tax implications on tendering of listed equity shares on recognized stock exchanges in India is set out below. All references to equity share herein refer to listed equity shares unless stated otherwise.

8.8.3 **Classification of Shareholders: Shareholders can be classified under the following categories:**

**Resident Shareholders being:**

- i. Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
- ii. Others

**Non-Resident Shareholders being:**

- i. Non-Resident Indians (NRIs)
- ii. Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- iii. Others:
  - Company
  - Other than company

**8.8.4 Classification of Income: Shares can be classified under the following two categories**

- a. Shares held as investment (Income from transfer taxable under the head “**Capital Gains**”)
- b. Shares held as stock-in-trade (Income from transfer taxable under the head “**Profits and Gains from Business or Profession**”)

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).

**8.8.5 Shares held as investment:**

As per the provisions of the Income Tax Act, where the shares are held as investments (i.e. capital asset), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital Gains in the hands of shareholders will be computed as per provisions of Section 48 of the Income Tax Act.

**8.8.6 Period of holding:**

Depending on the period for which the shares are held, the gains will be taxable as “short term capital gain” or “long-term capital gain”:

- a. In respect of equity shares held for a period less than or equal to 12 (Twelve) months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“**STCG**”).
- b. Similarly, where equity shares are held for a period more than 12 (Twelve) months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “long-term capital gains” (“**LTCG**”).

**8.8.7 Tendering of Shares in the Offer through a Recognized Stock Exchange in India: Where a transaction for transfer of such equity shares (i.e. acceptance under an open offer) is transacted through recognized stock exchanges and is chargeable to Securities Transaction Tax (“STT”), then the taxability will be as under (for all categories of shareholders):**

- a. The Finance Act, 2018 has withdrawn the exemption under section 10(38) for LTCG arising from transfer of equity shares on or after 1 April 2018. Section 112A of the Income Tax Act provides for taxation of income arising from the transfer of such shares, which is explained in the following paragraphs.
- b. The gain accrued on such equity shares till 31 January 2018 has been exempted by providing that for the purpose of computing LTCG the cost of shares acquired before 1 February 2018 shall be the higher of the following:
  - i. Actual cost of acquisition; or

- ii. Lower of: (A) fair market value, and (B) full value of consideration received or accruing as a result of the transfer of the shares.

Fair market value has been defined to mean the highest price of the equity share quoted on any recognized stock exchange on 31 January 2018.

- c. After taking into account the exemption provided above, LTCG arising from transfer of equity shares, exceeding Rs. 100,000, will be taxable at 10% without allowing the benefit of indexation.
- d. However, section 112A of the Income Tax Act shall not apply if such equity shares were acquired on or after 1 October 2004 and securities transaction tax („STT under Chapter VII of the Finance (No. 2) Act, 2004“) was not paid. In this regard, the Central Government has issued a notification no. 60/2018/F. No. 370142/9/2017-TPL dated 1st October, 2018, providing certain situations wherein section 112A of the Income Tax Act will continue to be applicable even if STT is not paid at the time of acquisition of equity shares. The notification provides for the following situations:
  - i. Where acquisition of existing listed equity shares in a company, whose equity shares are not frequently traded on recognized stock exchanges of India, was made through a preferential issue, subject to certain exceptions;
  - ii. Where transaction for acquisition of existing listed equity share in a company was not entered through recognized stock exchanges of India, subject to certain exceptions;
  - iii. Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from recognized stock exchanges and ending on the date on which the company was again listed on recognized stock exchanges in accordance with the Securities Contracts (Regulation) Act, 1956 read with the SEBI Act and any rules made thereunder.

The notification inter alia provides certain exceptions to the above situations where the provisions of Section 112A will not apply.

- e. Where provisions of section 112A are not applicable, LTCG will be chargeable to tax at 20%. However, for a resident shareholder, an option is available to pay tax on such LTCG under section 112 at either 20% with indexation or 10% without indexation.
- f. STCG arising from such transaction will be subject to tax @ 15% under Section 111A of the Income Tax Act.
- g. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Section 112, 112A or 111A of the Income Tax Act. In addition to the above LTCG or STCG tax, applicable Surcharge, Health and Education Cess are leviable.
- h. Minimum alternate tax (“MAT”) implications will get triggered in the hands of a resident corporate shareholder. Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA.
- i. Non-resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India subject to fulfilling of the relevant conditions and the documentary compliance prescribed under the Income Tax Act.

**8.8.8 Shares held as Stock-in-Trade: If the shares are held as stock-in-trade by any of the eligible Shareholders of the Target Company, then the gains will be characterized as business income and taxable under the head “Profits and Gains from Business or Profession”.**

**Resident Shareholders:**

Profits of:

- A. Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.

B. Domestic companies having turnover or gross receipts not exceeding Rs. 400 crore in the relevant financial year as prescribed will be taxable @ 25%.

C. For persons other than stated in (A) and (B) above, profits will be taxable @ 30%.

No benefit of indexation by virtue of period of holding will be available in any case.

#### **Non-Resident Shareholders**

A. Non-resident Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant shareholder country but subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the Income Tax Act.

B. Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP and BOI, profits will be taxable at slab rates
- For foreign companies, profits will be taxed in India @ 40%
- For other non-resident Shareholders, such as foreign firms, profits will be taxed in India @ 30%.

In addition to the above, applicable Surcharge, Health and Education Cess are leviable for Resident and Non-Resident Shareholders.

#### **8.8.9 Tax Deduction at Source**

##### **(a) In case of Resident Shareholders**

In absence of any specific provision under the Income Tax Act, the Acquirer is not required to deduct tax on the consideration payable to resident Shareholders pursuant to the said offer.

##### **(b) In case of Non-resident Shareholders**

i. In case of FIIs: Section 196D of the Income Tax Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs.

ii. In case of other non-resident Shareholders (other than FIIs) holding Equity Shares of the Target Company: Section 195(1) of the Income Tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the Income Tax Act read with the provisions of the relevant DTAA, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Shareholders provide a specific mandate in this regard.

Since the Offer is through the stock exchange, the responsibility of discharging the tax due on the gains (if any) is primarily on the non-resident Shareholder. The non-resident Shareholder must compute such gains (if any) on this transaction and immediately pay applicable taxes in India, if applicable, in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident Shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

The non-resident Shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the non-resident Shareholders pursuant to this Offer. The non-resident Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India,

#### **8.8.10 Rate of Surcharge and Cess**

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

##### **(a) Surcharge**

- i. In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
- ii. In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crores.
- iii. In case of individuals, HUF, AOP, BOI: Surcharge @ 37% is leviable where the total income exceeds Rs. 5 crores, @25% is leviable where the total income exceeds Rs. 2 crores but less than Rs. 5 crores, @15% is leviable where the total income exceeds Rs. 1 crore but less than 2 crore and @10% where the total income exceeds Rs. 50 lakhs but less than Rs. 1 crore.
- iv. In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.

**(b) Cess**

Health and Education Cess @ 4% is currently leviable in all cases

**THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES.**

**9. DOCUMENTS FOR INSPECTION**

- 9.1 Copies of the following documents are regarded as material documents and are available for inspection at the Branch Office of Fedex Securities Private Limited, the Manager to the Offer at Shyam Kamal C Wing, 206 Room number, opposite Big Bazaar, Agarwal Market, Vile Parle (East), Mumbai - 400 059. The documents can be inspected during normal business hours (11.00 A.M. to 4.00 P.M.) on all working days (except Saturdays and Sundays and Public/Bank Holidays) from the date of opening of the Offer up till the date of closure of the Offer.
- 9.2 Copy of Certificate of Incorporation of the Target Company issued pursuant to Companies Act, 1956 and Memorandum & Article of Association of the Target Company & Acquirer.
- 9.3 Copy of Share Purchase Agreement dated September 12, 2019 respectively entered between Acquirer and Selling Shareholders.
- 9.4 Copy of the Net worth certificate of Rajdarbar Capital Private Limited dated September 11, 2019 issued by Sudhir Kumar (Membership No: 501230) Proprietor of Sudhir Kumar & Company, Chartered Accountants having Firm Registration Number 026296N.
- 9.5 Copy of Certificate dated September 12, 2019, 2019 by Sudhir Kumar, Sudhir Kumar (Membership No: 501230) Proprietor of Sudhir Kumar & Company, Chartered Accountants having Firm Registration Number 026296N., having office at Shop No- FF443, Ansal Sumanglam Building, RDC, Raj Nagar, Ghaziabad - 201001 , Tel. No.+91- 9811640380, Email id:acakumarsudhir@gmail.com that sufficient resources are available with the Acquirer for fulfilling the obligations under this Offer in full.
- 9.6 Annual Reports of the Target company for the financial year ended March 31 of 2019, 2018, 2017.
- 9.7 Letter from IndusInd Bank Limited dated September 16, 2019 confirming the balance of Rs. 15,10,000 (Rupees Fifteen Lakhs Ten Thousand Lakhs Only) in the Escrow Account.
- 9.8 Copy of Escrow Agreement dated September 12, 2019 entered into between the Acquirer, Escrow Banker and Manager to the Offer.
- 9.9 Copy of Public Announcement dated September 12, 2019, Detailed Public Statement published in the newspapers on September 19, 2019.

- 9.10 A copy of the recommendation made by the committee of independent directors of the Target Company, as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.
- 9.11 Copy of the letter no. [●] received from SEBI dated [●], containing its comments on this Draft Letter of Offer in terms of provisions of Regulation 16(4) of SEBI (SAST) Regulations.

## **10.DECLARATION BY THE ACQUIRER**

- 10.1 The Acquirer accepts full responsibility for the information contained in this Draft Letter of Offer and also for the obligations of the Acquirer as laid down in terms of the SEBI (SAST) Regulations 2011. In relation to the information pertaining to the Selling Shareholders and the Target Company, the Acquirer has relied on the information provided by the Target Company, the Selling Shareholders and publicly available sources and have not independently verified the accuracy of such information.
- 10.2 The Acquirer shall be responsible for ensuring compliances with the provisions of the SEBI (SAST) Regulations 2011 for obligations laid down in the SEBI (SAST) Regulations 2011.
- 10.3 The Manager to the Offer hereby states that the person signing this Draft Letter of Offer is the Acquirer / duly authorized person to sign this Draft Letter of Offer.

**SIGNED FOR AND ON BEHALF OF THE RAJDARBAR CAPITAL PRIVATE LIMITED**

Sd/-  
Arun Gupta  
Authorised Signatory

**Place:** Mumbai

**Date:** September 26, 2019