

**DRAFT LETTER OF OFFER**

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

This draft letter of offer (“**Draft Letter of Offer**” or “**DLoF**”) is sent to you as a Public Shareholder (as defined below) of Olectra Greentech Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager (as defined below) / Registrar to the Offer (as defined below). In case you have recently sold your Equity Shares (as defined below), please hand over this Draft Letter of Offer and the accompanying Form of Acceptance and Transfer Deed to the member of Stock Exchange (as defined below) through whom the said sale was effected.

**MEIL Holdings Limited (“MEIL” or “Acquirer”)**

**A public limited company incorporated under the Companies Act, 1956**  
Registered office: S-2, Technocrat Industrial Estate, Balanagar, Hyderabad – 500 037, Telangana  
(Tel: +91 40-4433 6700; Fax: +91 40-4433 6800;)

and

**Megha Engineering & Infrastructures Limited (“Megha” or “PAC”)**

**A public limited company incorporated under the Companies Act, 1956**  
Registered office: S-2, Technocrat Industrial Estate, Balanagar, Hyderabad – 500 037  
(Tel: +91 40-4433 6700; Fax: +91 40-4433 6800;)

**MAKE A CASH OFFER OF ₹ 175.30 (RUPEES ONE HUNDRED SEVENTY FIVE AND THIRTY PAISE ONLY)  
PER EQUITY SHARE (AS DEFINED BELOW) OF FACE VALUE OF ₹ 4 (RUPEES FOUR) EACH,**

**TO ACQUIRE UPTO 2,37,06,992 (TWO CRORES THIRTY SEVEN LACS SIX THOUSAND NINE HUNDRED AND NINETY TWO ONLY) EQUITY  
SHARES REPRESENTING 26.00% (TWENTY SIX PERCENT) OF THE EMERGING SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SEBI  
(SAST) REGULATIONS, 2011 (AS DEFINED BELOW) TO THE PUBLIC SHAREHOLDERS**



OF

**OLECTRA GREENTECH LIMITED (Formerly known as GOLDSTONE INFRATECH LIMITED)**

**A listed public limited company incorporated under the Companies Act, 1956**  
Registered & Corporate office: Centre Point Building, 4th Floor, Plot No. 359 to 363 / 401, US Consulate Lane,  
Begumpet, Secunderabad, Telangana – 500 016  
Tel: +91-40-4698 9999; Email: cs@olectra.com; Website: www.olectra.com  
CIN: L34100TG2000PLC035451  
(hereinafter referred to as “**OGL**” or “**Target Company**”)

1. This Offer (as defined below) is being made by the Acquirer and the PAC pursuant to and in compliance with the provisions of regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011.
2. This Offer is not a conditional offer in terms of regulation 19 of the SEBI (SAST) Regulations, 2011 and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations, 2011.
4. As on the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and PAC, there are no statutory approval(s) required to acquire Equity Shares that are validly tendered pursuant to this Open Offer. However, the Open Offer would be subject to all statutory approval(s) as may be required and/or may subsequently become necessary to acquire at any later date. Non-resident Indian (“**NRI**”) and erstwhile overseas corporate body (“**OCB**”) shareholders, if any, must obtain all requisite approvals required for tendering the Equity Shares held by them pursuant to the Offer (including without limitation the approval from the Reserve Bank of India (“**RBI**”)) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and any other document required to accept the Offer.
5. The Acquirer may withdraw the Offer in accordance with the terms and conditions specified in section C of part VI (Statutory & other Approvals) of this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days (as defined below) of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) had appeared, stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations, 2011.
6. The Offer Price (as defined below) may be subject to upward revision pursuant to the SEBI (SAST) Regulations, 2011 or at the discretion of the Acquirer at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period (as defined below) in accordance with regulation 18(4) of the SEBI (SAST) Regulations, 2011. Where the Acquirer and PAC have acquired any Equity Shares during the Offer Period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, the Acquirer shall not acquire any Equity Shares during the period commencing 3 (three) Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the Open Offer Escrow Amount (as defined below); (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, inform SEBI (as defined below), the Stock Exchanges (as defined below) and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
7. **If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**
8. **There has been no competing offer as of the date of this Draft Letter of Offer.**
9. A copy of the Public Announcement (as defined below), the Detailed Public Statement and the Draft Letter of Offer is also available and the Letter of Offer (including Form of Acceptance-cum- Acknowledgement) will also be available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <b>YES SECURITIES (INDIA) LIMITED</b> IFC, Tower 1&2, Unit No. 602 A, 6th Floor Senapati Bapat Marg, Elphinstone (West) Mumbai 400 013 Maharashtra, India Tel: +91 22 7100 9829 Fax: +91 22 2421 4508 Contact Person: Mukesh Garg/Pratik Pednekar E-mail: <a href="mailto:oglopenoffer@yesscuritiesltd.in">oglopenoffer@yesscuritiesltd.in</a> SEBI Registration No.: INM000012227	 <b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> Karvy Selenium, Tower B, Plot number 31 & 32 Gachibowli, Financial District, Nanakramguda Hyderabad 500 032, India Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 Contact Person: Mr. M. Muralikrishna Email-id: <a href="mailto:oglopenoffer@karvy.com">oglopenoffer@karvy.com</a> SEBI Registration number: INR000000221

## SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

The schedule of activities under the Offer is as follows:

No.	Activity	Schedule	
		Date	Day
1.	Public Announcement	August 10, 2018	Friday
2.	Publication of the DPS	August 21, 2018	Tuesday
3.	Last date for filing of the DLoF with SEBI	August 29, 2018	Wednesday
4.	Last date for the public announcement for competing offer(s)	September 12, 2018	Wednesday
5.	Last date for receipt of SEBI observations on the DLoF (in the event SEBI has not sought clarifications or additional information from the Manager)	September 21, 2018	Friday
6.	Identified Date <sup>#</sup>	September 25, 2018	Tuesday
7.	Last date by which the letter of offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	October 3, 2018	Wednesday
8.	Last date for upward revision of the Offer Price / Offer Size	October 5, 2018	Friday
9.	Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the Public Shareholders of the Target Company for this Offer	October 8, 2018	Monday
10.	Date of publication of Offer opening public announcement in the newspapers in which the DPS has been published	October 9, 2018	Tuesday
11.	Date of commencement of the tendering period	October 10, 2018	Wednesday
12.	Date of closure of the tendering period	October 24, 2018	Wednesday
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders of the Target Company	November 9, 2018	Friday
14.	Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	November 16, 2018	Friday

<sup>#</sup> The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be posted. It is clarified that all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time on or prior to the Offer Closing Date.

## **RISK FACTORS**

### **Risk factors relating to the underlying transaction**

The consummation of the preferential allotment of equity shares under the SSA is subject to a number of conditions precedent. These include, amongst others, the following:

- (i) passing of special resolution by the shareholders of the Target Company at a general meeting or by postal ballot pursuant to Sections 42, 62 (1)(c) of the Companies Act, 2013 and regulation 72(1)(a) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI (ICDR) Regulations”);
- (ii) the statutory auditors of the Target Company having certified that the preferential issue of the equity shares including the price determination is in accordance with the SEBI (ICDR) Regulations;
- (iii) the Acquirer certifying that it satisfies all the conditions listed under chapter VII of SEBI (ICDR) Regulations;
- (iv) the allotment of the equity shares is carried out within the period specified under regulation 74 of SEBI (ICDR) Regulations; (v) the Acquirer complying with the making of open offer pursuant to allotment of the equity shares.

The consummation of the preferential allotment of convertible warrants under the SSA is subject to a number of conditions precedent. These include, amongst others, the following:

- (i) passing of special resolution by the shareholders of the Target Company at a general meeting or by postal ballot pursuant to Section 42, 62(1)(c) of the Companies Act, 2013 and regulation 72(1)(a) of SEBI (ICDR) Regulations;
- (ii) the statutory auditors of the Target Company having certified that the preferential issue of the warrants including the price determination is in accordance with the SEBI (ICDR) Regulations;
- (iii) the Acquirer certifying that it satisfies all the conditions listed under chapter VII of SEBI (ICDR) Regulations for allotment of the warrants by way of preferential issue;
- (iv) the allotment of the warrants is carried out within the period specified under regulation 74 of SEBI (ICDR) Regulations.

### **Risk factors relating to the Offer**

- The Acquirer may withdraw the Offer in accordance with the conditions specified in section C of part VI (*Statutory & other Approvals*) in the DLoF. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared, stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations, 2011.
- In the event of any litigation leading to a stay on the Offer by a court of competent jurisdiction, or SEBI instructing that the Offer should not proceed, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this DLoF. Consequently, in the event of any delay, the payment of consideration to the Public Shareholders of the Target Company, whose Equity Shares are accepted under this Offer, as well as the return of Equity Shares not accepted under this Open Offer by the Acquirer may be delayed.
- The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer / Clearing Corporation (as defined below) until the completion of the Offer formalities, and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares held in trust by the Registrar to the Offer / Clearing Corporation during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares which are validly tendered by the Public 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 Public Shareholders in accordance with the schedule of activities for the Offer.
- Further, Public Shareholders should note that, under the SEBI (SAST) Regulations, 2011, once Public 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 Equity Shares under the Offer and/or the dispatch of consideration.

- All Public Shareholders, including NRI and erstwhile OCB holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Offer Shares.
- In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as specified by SEBI, including payment of interest in accordance with regulation 18(11) of the SEBI (SAST) Regulations, 2011, grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer.
- The Acquirer and the PAC and the Manager accept no responsibility for the statements made otherwise than in the DLoF, the DPS and/or the PA and/or in the Offer Opening Public Announcement (as defined below) or in any corrigendum to the DPS and the PA (if issued) and anyone placing reliance on any other source of information (not released by the Acquirer and the PAC or the Manager) would be doing so at his, her or their own risk.
- 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 and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this DLoF.
- This DLoF has not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLoF 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, the PAC 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.

#### **Probable risks involved in associating with the Acquirer and the PAC**

- Neither the Manager nor the Acquirer and the PAC make any assurance with respect to the continuation of past trends in the financial performance of the Target Company and expressly disclaim their responsibility with respect to any decision by the Public Shareholders on whether to participate in this Offer.
- Neither the Acquirer and the PAC nor the Manager can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether to participate in the Offer.
- The Acquirer and the PAC make no assurances with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company
- The acquisition of the Offer Shares may result in the public shareholding in the Target Company falling below the minimum level required for continued listing under regulation 38 of LODR and Rule 19A of SCRR. While the Acquirer and the PAC are required to decrease the non-public shareholding to the level specified and within the time stipulated under the SCRR, as per the requirements of regulation 7(4) of the SEBI (SAST) Regulations, 2011 and/or LODR, any failure to comply with the conditions with aforesaid regulations could have an adverse effect on the price and tradability of the equity shares of the Target Company.

**The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirer and the PAC. The risk factors set forth above do not relate to the present or future business or operations of the Target**

**Company and any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by any Public Shareholder in the Offer. Public Shareholders are advised to consult their stockbroker, investment consultant or tax advisor for an understanding of the further risks associated with their participation in the Offer.**

**Disclaimer for U.S. persons:**

The information contained in this DLoF is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S under the US Securities Act of 1933, as amended, and who are not physically present in the USA. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the USA or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this DLoF are requested to inform themselves about and to observe any such restrictions.

**Disclaimer for persons in other foreign countries:**

This DLoF does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this DLoF are requested to inform themselves about and to observe any such restrictions.

**CURRENCY OF PRESENTATION**

In this DLoF, all references to “Rs.”/“Rupees”/“₹” are to Indian Rupee(s), the official currency of India.

In this DLoF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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## DEFINITIONS / ABBREVIATIONS

Acquirer	MEIL Holdings Limited
Agreements	Share Purchase Agreement and Share Subscription Agreement
Bank Guarantee	An unconditional, irrevocable and on demand bank guarantee issued by BG Issuer, on behalf of the Acquirer in favour of the Manager to the Offer. For details refer part V(B)(b)
BG Issuer	YES Bank Limited, having its branch office situated at Mayank Towers, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082
Board/ Board of Directors	Board of Directors of the Acquirer or the PAC or the Target Company, as the case may be
BSE	BSE Limited
Buying Broker	YES Securities (India) Limited having its office at Unit No.602 A, 6th Floor, Tower 1&2, Indiabulls Finance Centre (IFC), Senapati Bapat Marg, Elphinstone Road, Mumbai-400013.
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Clearing Corporation	Indian Clearing Corporation Limited
Detailed Public Statement or DPS	Detailed Public Statement dated August 20, 2018, published in newspapers on August 21, 2018
Designated Stock Exchange	BSE Limited
DIN	Director Identification Number
DP	Depository Participant
Draft Letter of Offer / DLoF	Draft Letter of Offer dated August 29, 2018
Emerging Share Capital	Emerging Share Capital of the Target Company means 9,11,80,737 Equity Shares of the Target Company computed on a fully diluted basis as of the tenth (10th) working day from the closure of the tendering period of the Open Offer. The same has been computed by adding the following in the current outstanding Equity Shares of the Target Company: (i) 54,00,000 outstanding warrants convertible into equal number of Equity Shares, allotted pursuant to board meeting dated October 11, 2017 to Goldstone Power Private Limited (belonging to existing promoter group of the Target Company) and (ii) 2,65,00,000 Equity Shares and 91,00,000 warrants convertible into equal number of Equity Shares, issuance of which is approved by the board of directors of the Target Company in their meeting dated August 10, 2018, subject to receipt of shareholders' approval.
Escrow Agreement	Escrow Agreement dated August 10, 2018 entered into between the Acquirer, PAC, Escrow Banker and Manager to the Offer
Escrow Account	The account opened with Escrow Bank under the name and title "OGL Open Offer Escrow Ac" in accordance with Regulation 17 of the SEBI (SAST) Regulations, 2011
Escrow Banker	YES Bank Limited
Equity Share(s)	Equity shares of the Target Company of face value of ₹ 4 (Rupees four only) each
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
Identified Date	The date falling on the 10 <sup>th</sup> Working Day prior to the commencement of the Tendering Period for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent.
Income Tax Act	Income Tax Act, 1961 as amended from time to time
IGAAP	Generally accepted accounting principles in India
IndAS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 and Ind AS Rules
Letter of Offer or LOF	Letter of Offer dated [●]
LODR Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Manager to the Offer/ Manager	YES Securities (India) Limited
Maximum Open Offer Consideration	₹ 4,15,58,35,697.60 (Rupees four hundred fifteen crores fifty eight lacs thirty five thousand six hundred ninety seven and paise sixty only) being the total

	consideration payable to the Public Shareholders by the Acquirer pursuant to the Open Offer
NRI	Non Resident Indian
NSE	National Stock Exchange of India Limited
Offer or Open Offer	Offer for acquisition of up to 2,37,06,992 (two crores thirty seven lacs six thousand nine hundred and ninety two only) Equity Shares, representing 26% (Twenty Six percent) of Emerging Share Capital of the Target Company from the Public Shareholders of the Target Company by Acquirer, together with PAC in their capacity as the persons acting in concert with the Acquirer
Offer Opening Date	Wednesday, October 10, 2018
Offer Closing Date	Wednesday, October 24, 2018
Offer Price	₹ 175.30 (Rupees one hundred seventy five and thirty paise only) per fully paid-up equity share payable in cash
Offer Period	Period from the date of release of Public Announcement to the date of payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in the Open Offer, is made, on the date on which the Open Offer is withdrawn, as the case may be
Offer Size/ Offer Shares	Offer to Public Shareholders to acquire upto 2,37,06,992 (two crores thirty seven lacs six thousand nine hundred and ninety two) Equity Shares representing 26% of Emerging Share Capital of the Target Company at Offer Price
PAC	Megha Engineering & Infrastructures Limited
Public Announcement or PA	Public Announcement dated August 10, 2018
Public Shareholders	All the public equity shareholders of the Target Company excluding (i) the Acquirer and the PAC and (ii) the persons deemed to be acting in concert with the Acquirer and the PAC and (iii) the parties to the Agreements
RBI	Reserve Bank of India
Registrar to the Offer	Karvy Computershare Private Limited
Return on Net Worth	(Profit After Tax/Net Worth)*100
Rs. or Rupees or ₹	Indian Rupees
Sale Share	Equity shares forming part of SPA pursuant to which the Acquirer has agreed to purchase 1,00,00,000 Equity Shares from the Seller.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Seller / Trinity	Trinity Infraventures Limited, one of the existing promoters of the Target Company
Selling Broker(s)	Shall have the meaning ascribed to it in paragraph f of part VII of this DLoF
Share Purchase Agreement / SPA	Shall mean share purchase agreement dated August 10, 2018 entered into between the Acquirer and Trinity
Share Subscription Agreement / SSA	Shall mean share subscription agreement dated August 10, 2018 entered into by the Acquirer with the Target Company and Trinity, acting as a confirming party to the SSA
Special Account	The account opened with Escrow Bank under the name and title "OGL Open Offer Special Ac" in accordance with Regulation 17 of the SEBI (SAST) Regulations, 2011
Stock Exchanges	BSE and NSE
Target Company/ OGL	Olectra Greentech Limited
Tendering Period	Period commencing from Wednesday, October 10, 2018 and closing on Wednesday, October 24, 2018, both days inclusive
TRS	Transaction Registration Slip
Voting and Paid-Up Equity Share Capital	Voting and paid-up equity share capital of the Target Company means 5,01,80,737 fully paid-up equity shares of face value of ₹4 each
Working Day(s)	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations, 2011



## DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE 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 OLECTRA GREENTECH LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE TARGET 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 AND THE PAC ARE 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 THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, YES SECURITIES (INDIA) LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 29, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

### I. DETAILS OF THE OFFER

#### A. Background to the Offer

- a. The Offer is being made to the Public Shareholders in accordance with regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011.
- b. On the date of the PA, the Acquirer does not hold any Equity Shares in the Target Company.
- c. The details of the transaction which triggered the open offer is as below:

Details of underlying transaction				
Type of Transaction (direct/ indirect)	Mode of Transaction (Agreement/ Allotment/ market purchase)	Shares / Voting rights acquired/ proposed to be acquired		Total Consideration for Equity Shares /Voting Rights acquired (₹)
		Number	% of Emerging Share Capital	
Direct	The Acquirer has agreed to purchase 1,00,00,000 Equity Shares pursuant to a share purchase agreement dated August 10, 2018 (“SPA”) entered into between the Acquirer and Trinity Infraventures Limited. Further, the Acquirer has also entered into a share subscription agreement (“SSA”) dated August 10, 2018 (SPA and SSA are collectively referred to as “Agreements”) with the Target Company and Trinity Infraventures Limited, existing promoter of the Target Company and acting as a confirming party to the SSA. The board of directors of the Target Company in its meeting held on August 10, 2018 has approved preferential issuance of 2,65,00,000 Equity	3,65,00,000 <sup>@</sup> Equity Shares and 91,00,000 convertible warrants	50.01%	₹ 7,24,06,80,000/-

Details of underlying transaction				
Type of Transaction (direct/ indirect)	Mode of Transaction (Agreement/ Allotment/ market purchase)	Shares / Voting rights acquired/ proposed to be acquired		Total Consideration for Equity Shares / Voting Rights acquired (₹)
		Number	% of Emerging Share Capital	
	Shares and 91,00,000 convertible warrants to the Acquirer as per the applicable provisions of the Companies Act, 2013 and in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009, as amended. The preferential allotment is subject to shareholder's approval.			

@ Includes 1,00,00,000 Equity Shares forming part of SPA and 2,65,00,000 Equity Shares forming part of preferential issue

- d. Pursuant to the abovementioned Agreements for the acquisition of the Equity Shares of the Target Company, the Acquirer agreed to acquire more than 25% of the Issued Equity Share Capital of the Target Company. Accordingly, this mandatory Offer is being made by the Acquirer alongwith the PAC, in compliance with regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011.
- e. The salient features of the SSA are as follows:
1. The consummation of the preferential allotment of equity shares under the SSA is subject to a number of conditions precedent. These include, amongst others, the following:
    - (i) passing of special resolution by the shareholders of the Target Company at a general meeting or by postal ballot pursuant to Sections 42, 62 (1)(c) of the Companies Act, 2013 and regulation 72(1)(a) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations");
    - (ii) the statutory auditors of the Target Company having certified that the preferential issue of the equity shares including the price determination is in accordance with the SEBI (ICDR) Regulations;
    - (iii) the Acquirer certifying that it satisfies all the conditions listed under chapter VII of SEBI (ICDR) Regulations;
    - (iv) the allotment of the equity shares is carried out within the period specified under regulation 74 of SEBI (ICDR) Regulations;
    - (v) the Acquirer complying with the making of open offer pursuant to allotment of the equity shares.
  2. The Acquirer agreed to comply with the open offer provisions in relation to the subscription to the equity shares and warrants under the Agreement and purchase of equity shares under any other inter-se agreement between the Acquirer and the existing shareholder of the Target Company and the Target Company shall extend assistance to the Investor to enable the Investor to do so, limited to the extent as required under the SEBI (SAST) Regulations, 2011. The issue of equity shares and warrants pursuant to the Agreement together with any equity shares to be acquired by the Acquirer under the inter-se agreement would constitute acquisition of control by the Acquirer over the Target Company pursuant to SEBI (SAST) Regulations, 2011 and the Acquirer shall comply with the requirements of the SEBI (SAST) Regulations, 2011 with respect to the change of control including for classifying the Acquirer as the promoter in place of the existing promoter.
  3. The consummation of the preferential allotment of convertible warrants under the SSA is subject to a number of conditions precedent. These include, amongst others, the following:
    - (i) passing of special resolution by the shareholders of the Target Company at a general meeting or by postal ballot pursuant to Section 42, 62(1)(c) of the Companies Act, 2013 and regulation 72(1)(a) of SEBI (ICDR) Regulations;
    - (ii) the statutory auditors of the Target Company having certified that the preferential issue of the warrants including the price determination is in accordance with the SEBI (ICDR) Regulations;
    - (iii) the Acquirer certifying that it satisfies all the conditions listed under chapter VII of SEBI (ICDR) Regulations for allotment of the warrants by way of preferential issue;
    - (iv) the allotment of the warrants is carried out within the period specified under regulation 74 of SEBI (ICDR) Regulations.
  4. The Acquirer agreed to comply with the open offer provisions in relation to the subscription of equity shares and warrants under SSA and purchase of equity shares under SPA and the Target Company shall extend assistance to the Acquirer to enable the Acquirer to do so, as required under the SEBI (SAST) Regulations, 2011 and any other applicable laws. The issue of equity shares and warrants pursuant to the SSA together with equity shares acquired by the Acquirer pursuant to SPA would constitute acquisition of

control by the Acquirer over the Target Company pursuant to the SEBI (SAST) Regulations, 2011 and the Acquirer shall comply with the requirements of the SEBI (SAST) Regulations, 2011 with respect to the change of control including for classifying the Acquirer as the promoter in place of the existing promoter.

- f. The salient features of the SPA are as follows:
1. The Acquirer agreed to purchase and Seller agreed to sell, the Sale Shares free and clear of all encumbrances, along with all rights and interest of any nature, now or after the completion date accruing or attached to the Sale Shares, in accordance with the terms and conditions of the SPA.
  2. In consideration, the Acquirer shall pay the Seller an amount of ₹100,00,00,000/- (Rupees one hundred crores only) @ Rs. 100/- each Sale Share
  3. The Acquirer agrees to comply with the open offer provisions in relation to the purchase of the Sale Shares under the SPA and the Seller shall extend assistance to the Acquirer to enable the Acquirer to do so, limited to the extent as required under the SEBI (SAST) Regulations, 2011 and any other rules and regulations, if applicable. The sale and transfer of the Sale Shares pursuant to the SPA would constitute acquisition of control by the Acquirer over the Target Company pursuant to SEBI (SAST) Regulations, 2011 and the Acquirer shall comply with the requirements of SEBI (SAST) Regulations, 2011 with respect to the change of control including for classifying the Acquirer as the promoter in place of the Seller.
  4. The Acquirer has agreed to release the collateral securities, corporate guarantee, pledge of shares, personal guarantees and other securities, if any given by the Seller to the Target Company after transfer of Sale Shares.
  5. The sale and delivery of the Equity Shares pursuant to the SPA shall be completed in terms of regulation 22 of SEBI (SAST) Regulations, 2011.
- g. Pursuant to the Offer and the underlying transaction contemplated in the SPA and SSA, the Acquirer will become the promoter of the Target Company and the Seller and existing members of promoter and promoter group of the Target Company will cease to be the promoters of the Target Company. The re-classification of the Sellers from promoter to non-promoter/ public is subject to the approval of shareholders of the Target Company in a general meeting in terms of regulation 31A(5) of the LODR Regulations and conditions prescribed therein.
- h. The prime objective of the Acquirer along with the PAC for acquisition of Equity Shares is to have substantial holding of Equity Shares and voting rights, accompanied by acquisition of control of the Target Company. They propose to expand the existing business activities of the Target Company by increasing capacity & market penetration through exercising effective management over it.
- i. Other than SPA and SSA, there is no formal agreement between the Acquirer and PAC with regard to the Offer.
- j. The Acquirer and the PAC have not 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.
- k. As on date the Acquirer and the PAC do not propose any change in the Board of Directors of the Target Company during the period of the Open Offer. However, the Acquirer reserves its right to nominate its nominee on the board of directors of the Target Company after complying with conditions mentioned in SEBI (SAST) Regulations, 2011.
- l. 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 2 (two) Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS was published.

**B. Additional Details**

- a. Trinity Infraventures Limited (“Seller”) is one of the existing promoters of the Target Company.
- b. The shareholding/ voting rights (VR) of the Seller and other members of the promoter and promoter group in the Target Company is as set forth below:

Name	Details of shares/ voting rights held by the Seller					
	Pre-transaction		Sale Shares		Post-transaction	
	Number	%*	Number	%*	Number	%*
Trinity Infraventures Limited	2,31,76,165 <sup>^</sup>	25.42%	1,00,00,000	10.97%	1,31,76,165 <sup>^</sup>	14.45%
Other members forming part of promoter/ promoter group	5,71,350	0.63%	-	-	5,71,350	0.63%
<b>Total</b>	<b>2,37,47,515<sup>^</sup></b>	<b>26.04%</b>	<b>1,00,00,000</b>	<b>10.97%</b>	<b>1,37,47,515<sup>^</sup></b>	<b>15.08%</b>

<sup>^</sup> After considering conversion of 54,00,000 warrants held by wholly owned subsidiary of the Seller being Goldstone Power Private Limited

\*Based on Emerging Share Capital

- c. Trinity Infraventures Limited (formerly known as Goldstone Exports Limited) made a public announcement on November 4, 2008 in terms of regulation 11 (1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto for acquisition of 72,04,661 equity shares from the then public shareholders at a price of Rs. 23/- per equity share. SEBI, vide its letter dated December 16, 2008, issued its observations on the draft letter of offer filed with SEBI for the said open offer. Trinity made an appeal before the Hon'ble Securities Appellate Tribunal, Mumbai, ("SAT") in relation to one of the observations issued by SEBI pertaining to determination of the offer price which Trinity, as the acquirer, was required to offer to the then public shareholders of the Target Company. Hon'ble SAT vide its order dated September 15, 2009 upheld the said SEBI observation in this regard. Trinity made an appeal (CA 7666/2009) dated November 17, 2009 before the Hon'ble Supreme Court ("SC") and the Hon'ble SC admitted the appeal. The matter is currently pending with Hon'ble SC.

## 2. Details of the Offer

- a. The PA in connection with the Open Offer, in terms of regulations 3(1) and 4 read with regulation 15(1) and other applicable regulations of the SEBI (SAST) Regulations, 2011 was filed with BSE, NSE, SEBI (online filing) and was also sent to Target Company at its registered address on August 10, 2018 and a physical copy thereof was also filed with SEBI on August 13, 2018.
- b. In accordance with regulation 14(3) of SEBI (SAST) Regulations, 2011, the DPS was published in the following newspapers on August 21, 2018:

Newspaper	Language	Edition
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Lakshadeep	Marathi	Mumbai Edition
Nava Telangana	Telugu	Hyderabad Edition

- c. The Offer is being made by the Acquirer together with the PAC to all the Public Shareholders of the Target Company in accordance with regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 to acquire upto 2,37,06,992 (two crores thirty seven lacs six thousand nine hundred and ninety two only) Equity Shares representing 26% (twenty six percent) of Emerging Share Capital of the Target Company, at an offer price of ₹ 175.30 (Rupees one hundred seventy five and thirty paise only) per Equity Share aggregating to a total consideration of ₹ 4,15,58,35,697.60 (Rupees four hundred fifteen crores fifty eight lacs thirty five thousand six hundred ninety seven and paise sixty only).
- d. A copy of the PA and DPS are also available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).
- e. The Offer Price will be payable in cash, in accordance with the provisions of regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer and the PAC shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager.
- f. As on date of the DLoF, the total equity share capital of the Target Company is as follows. The Target Company does not have any partly paid-up equity shares.

Particulars	Voting and Paid-up Equity Share Capital	
	Number of shares	%
Fully paid up Equity Shares	50,180,737	100.00
<b>Equity Share Capital</b>	<b>50,180,737</b>	<b>100.00</b>

Source: Target Company

- h. As on the date of this DLoF, the Target Company has 54,00,000 outstanding warrants convertible to equal number of Equity Shares, allotted pursuant to its board meeting dated October 11, 2017 to Goldstone Power Private Limited (belonging to existing promoter group of the Target Company).
- i. All Public Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Offer Shares.
- j. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of regulation 19 of the SEBI (SAST) Regulations, 2011.
- k. The Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations, 2011.
- l. The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- m. The Offer Price is subject to revisions pursuant to the SEBI (SAST) Regulations, 2011, if any, or at the discretion of the Acquirer and PAC at any time prior to 3 (three) Working Days before the commencement of the Tendering Period in accordance with regulation 18(4) of SEBI (SAST) Regulations, 2011.
- n. The acquisition of the Offer Shares may result in the public shareholding in the Target Company falling below the minimum level required for continued listing under regulation 38 of LODR and Rule 19A of SCRR. The Acquirer and the PAC undertake to decrease the non-public shareholding to the level specified and within the time stipulated under the SCRR, as per the requirements of regulation 7(4) of the SEBI (SAST) Regulations, 2011.
- o. The Acquirer and the PAC have not acquired any Equity Shares after the date of PA, i.e., August 10, 2018 and up to the date of this DLoF.
- p. The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of this DLoF. The Manager to the Offer shall not deal, on their own account, in the Equity Shares of the Target Company during the Offer Period.

### 3. Object of the Acquisition / Offer

- a. The prime objective of the Acquirer along with the PAC for acquisition of Equity Shares is to have substantial holding of Equity Shares and voting rights, accompanied by acquisition of control of the Target Company. They propose to expand the existing business activities of the Target Company by increasing capacity & market penetration through exercising effective management over it, which will be the long term commercial justification for making this Open Offer. The acquisition of the Equity Shares by the Acquirer and PAC through this Offer will not have any adverse repercussions on the employees and the location of the Target Company's places of business.
- b. The Acquirer alongwith the PAC does not have any plans to alienate any material assets of the Target Company or of any of its Subsidiaries whether by way of sale, for the next 2 (two) years from the date of

closure of the Open Offer, except in the ordinary course of business of the Target Company or of any of its Subsidiaries, and except to the extent required for the purpose of restructuring and/ or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company or of any of its Subsidiaries is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirer alongwith the PAC undertake that they shall do so only upon the receipt of the prior approval of the shareholders of the Target Company, by way of a special resolution passed by postal ballot, in terms of regulation 25(2) of SEBI (SAST) Regulations, 2011 and subject to the provisions of applicable law as may be required.

## II. BACKGROUND OF THE ACQUIRER AND PAC

### ACQUIRER

- a. MEIL Holdings Limited (“MEIL” or “Acquirer”) is a public limited company (CIN: U45209TG2009PLC064573) which was incorporated on July 30, 2009 under the Companies Act, 1956. MEIL received its certificate of commencement of business on August 10, 2009. Its registered office is situated at S-2, Technocrat Industrial Estate, Balanagar, Hyderabad – 500 037, Telangana. There has been no change in the name of the company since incorporation.
- b. Acquirer is engaged in the business to invest, acquire, hold, underwrite, sell/dispose of or otherwise deal in shares, stocks, debentures, debenture stocks, bonds, other securities etc.
- c. The securities of Acquirer are not listed on any of the stock exchanges in India or outside India.
- d. Acquirer is part of MEIL group.
- e. Acquirer and PAC both belong to MEIL group. Further, Acquirer is a wholly owned subsidiary of PAC.
- f. The issued and paid up share capital of Acquirer as on the date of this DLoF is ₹1,63,65,41,200 comprising of 16,36,54,120 equity shares of ₹10 each. The promoter of the Acquirer is PAC. The PAC is promoted and controlled by Mr. PITCHI REDDY PAMIREDDY and Mr. VENKATAKRISHNA REDDY PURITIPATI. The details of the shareholders of the Acquirer is provided below:

Shareholder	Number of shares	%
<b>Promoter and promoter group (A)</b>		
Megha Engineering & Infrastructures Limited	16,36,53,420	100.00
Mr. PITCHI REDDY PAMIREDDY*	100	Negligible
Mr. VENKATAKRISHNA REDDY PURITIPATI *	100	Negligible
Mrs. RAMA REDDY PAMIREDDY*	100	Negligible
Mrs. PURITIPAATI SUDHARANI*	100	Negligible
Mrs. MANJALI REDDY PAMI REDDY*	100	Negligible
Mr. PURITIPATI VENKATA SUBBA REDDY*	100	Negligible
Mr. RAJESH REDDY PEKETI*	100	Negligible
<b>Total promoter and promoter group (A)</b>	<b>16,36,54,120</b>	<b>100.00</b>
<b>FII's/Mutual-Funds/FIs/Banks (B)</b>	Nil	NA
<b>Public (C)</b>	Nil	NA
<b>Total (A+B+C)</b>	<b>16,36,54,120</b>	<b>100.00</b>

\*Holding equity shares as a nominee of Megha Engineering & Infrastructures Limited

- g. The details of the directors of the Acquirer are given below:

Name, DIN & Address	Details of the experience and qualifications	Date of appointment
Mr. PITCHI REDDY PAMIREDDY DIN: 01450174 Address: 8-2-293/82/A/265/P, Road No. 10, Jubilee Hills,	He is the founder Chairman of PAC. He has 40 years of experience in the execution of various engineering projects in the areas of structural fabrication, irrigation, water supply, etc.	July 30, 2009

Name, DIN & Address	Details of the experience and qualifications	Date of appointment
Hyderabad 500003 Telangana, India.		
Mr. Venkatakrishna Reddy Puritipati DIN: 01815061 Address: H.No.8-2-293/82/A/295, Road No. 25, Jubilee Hills Hyderabad 500033, Telangana, India	He has completed his Graduation in commerce from Osmania University in 1989. He looks after administration, finance and marketing functions of the Acquirer and PAC. He has 28 years of experience in the execution of various engineering projects in the areas of structural fabrication, irrigation, water supply, etc.	July 30, 2009
Mrs. Rama Reddy Pamireddy DIN: 01614179 Address: 8-2-293/82/A/265/P, Road No. 10, Jubilee Hills, Hyderabad 500033, Telangana, India	She has completed senior secondary from Maharishi Veda Vigyan Maha Vidyalaya, Begumpet, Hyderabad, Telangana.	July 30, 2009

- h. None of the Directors/ key employees of the Acquirer holds any Equity Shares of the Target Company.
- i. None of the directors of the Acquirer is on the Board of the Target Company.
- j. As on date, Acquirer does not hold any Equity Shares in the Target Company.
- k. Key financial information of the Acquirer based on its audited financial statements as on and for the financial years ended March 31, 2015, 2016 and 2017 and limited review financial results for the financial year ended March 31, 2018, is as below:

#### Profit and Loss Statement

(Amount in ₹ lacs)

Particulars	For the financial year ended*	For the financial year ended #	For the financial year ended #	For the financial year ended #
	31-Mar-15 (as per IGAAP)	31-Mar-16 (as per IGAAP)	31-Mar-17 (as per IndAS)	31-Mar-18 (as per IndAS)
Income from operations	31,401.9	-	-	-
Other income	538.61	520.4	510.12	-
<b>Total Income</b>	<b>31,940.51</b>	<b>520.4</b>	<b>510.12</b>	<b>-</b>
<b>Total expenditure</b>	<b>29,729.45</b>	<b>5.69</b>	<b>79.98</b>	<b>36.44</b>
Profit before depreciation, interest and tax	2,211.06	514.71	430.14	-36.44
Depreciation	167.5	-	-	-
Interest	350.07	0.04	-	-
Profit before tax	1,693.49	514.67	430.14	(36.44)
<b>Profit after tax</b>	<b>1,482.37</b>	<b>514.57</b>	<b>430.14</b>	<b>(36.44)</b>

\* Based on consolidated financial statements

# Based on standalone financial statements

#### Balance Sheet

(Amount in ₹ lacs)

Particulars	As on*	As on#	As on#	As on#
	31-Mar-15 (as per IGAAP)	31-Mar-16 (as per IGAAP)	31-Mar-17 (as per IndAS)	31-Mar-18 (as per IndAS)
<b>Sources of funds</b>				

Particulars	As on*	As on <sup>#</sup>	As on <sup>#</sup>	As on <sup>#</sup>
	31-Mar-15 (as per IGAAP)	31-Mar-16 (as per IGAAP)	31-Mar-17 (as per IndAS)	31-Mar-18 (as per IndAS)
Paid-up share capital	11,048.36	11,926.91	16,365.41	16,365.41
Instruments entirely equity in nature	-	-	4,000.00	10,222.00
Reserves and surplus (excluding revaluation reserves)/ Other Equity	5,369.06	446.57	782.62	746.17
<b>Net worth</b>	<b>16,417.42</b>	<b>12,373.48</b>	<b>21,148.03</b>	<b>27,333.58</b>
Non-Current liabilities	11,255.27	-	-	-
<b>Current liabilities</b>				
Short-term borrowings	1,242.45	767.66	7,459.82	9,237.36
Other current liabilities	4,828.62	29.92	2.41	2.47
<b>Total</b>	<b>33,743.76</b>	<b>13,171.06</b>	<b>28,610.26</b>	<b>36,573.41</b>
<b>Uses of Funds</b>				
<b>Non-current assets</b>				
Net fixed assets	2,228.24			
Non-current investments	3,673.00	9,013.14	21,905.19	12,808.14
Other non-current assets	4,689.05	-	6,561.08	23,763.44
<b>Current assets</b>				
Current investments	462.62	244.45	118.36	-
Other current assets	22,690.85	3,913.47	25.63	1.83
<b>Total</b>	<b>33,743.76</b>	<b>13,171.06</b>	<b>28,610.26</b>	<b>36,573.41</b>

\* Based on consolidated financial statements

# Based on standalone financial statements

#### Other Financial Data

(Amount in ₹)

Particulars	As on and for the financial year ended*	As on and for the financial year ended <sup>#</sup>	As on and for the financial year ended <sup>#</sup>	As on and for the financial year ended <sup>#</sup>
	31-Mar-15 (as per IGAAP)	31-Mar-16 (as per IGAAP)	31-Mar-17 (as per IndAS)	31-Mar-18 (as per IndAS)
Dividend (%)	-	-	-	-
Earnings per share	0.76	0.43	0.26	(0.002)
Return on net worth (%)	9.03	4.16	2.03	(0.13)
Book value per share	14.86	10.37	12.92	16.70

\* Based on consolidated financial statements

# Based on standalone financial statements

- l. Acquirer does not have any major contingent liabilities.
- m. Acquirer has confirmed that it is not categorized as “willful defaulter” in terms of regulation 2(1) (ze) of the SEBI (SAST) Regulations, 2011.
- n. Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of SEBI Act as amended or under any other regulations made under the SEBI Act.
- o. Acquirer has confirmed that it is not categorized as “willful defaulter” in terms of regulation 2(1) (ze) of



the SEBI (SAST) Regulations, 2011.

## PAC

- Megha Engineering & Infrastructures Limited is a public limited company (CIN: U45202TG2006PLC050271) which was incorporated on June 7, 2006 under the Companies Act, 1956. Megha received its certificate of commencement of business on June 23, 2006. There has been no change in the name of the PAC. Its registered office is situated at S-2, Technocrat Industrial Estate, Balanagar, Hyderabad – 500 037.
- PAC is in the business to undertake Engineering, Procurement, Construction (EPC) projects, Built, Operate, Own, Transfer (BOOT) projects, Built, Operate, own (BOO) projects in Irrigation, Water Management, Power& Transmission lines, Hydrocarbon, Transportation, Buildings and Industrial Infrastructures Projects, other Infrastructures projects, etc.
- PAC and Acquirer both belong to MEIL Group. Further, Acquirer is a wholly owned subsidiary of PAC.
- PAC is part of MEIL group.
- The securities of PAC are not listed on any of the stock exchanges in India or outside India.
- The issued and paid up share capital of PAC as on the date of this DLoF is ₹1,50,01,00,000 comprising of 15,00,10,000 equity shares of face value of ₹ 10 each . The PAC is promoted and controlled by Mr. Pitchi Reddy Pamireddy and Mr. Venkatakrishna Reddy Puritipati. The details of the shareholders of the PAC are provided below:

Shareholder	Number of shares	%
<b>Promoter and promoter group (A)</b>		
Mr. Pitchi Reddy Pamireddy	76,483,875	50.99
Mr. Venkatakrishna Reddy Puritipati	73,470,000	48.98
Mrs. Rama Reddy Pamireddy	18,750	0.01
Mrs. Puritipaati Sudharani	18,750	0.01
Mrs. Manjali Reddy Pami Reddy	7,500	Negligible
Mr. Rajesh Reddy Peketi	375	Negligible
Mr. Puritipati Venkata Subba Reddy	375	Negligible
Mr. Raja Reddy Peddinti	375	Negligible
Mr. Sumanth Reddy Poddutur	1,666	Negligible
Mrs. Neelima Bommareddy	4,167	Negligible
Mrs. Nandana Bommareddy	4,167	Negligible
<b>Total promoter and promoter group (A)</b>	<b>15,00,10,000</b>	<b>100.00</b>
<b>FII's/Mutual-Funds/FIs/Banks (B)</b>	Nil	NA
<b>Public (C)</b>	Nil	NA
<b>Total (A+B+C)</b>	<b>15,00,10,000</b>	<b>100.00</b>

- The directors of PAC as on the date of the DLoF are:

Name, DIN & Address	Details of the experience and qualifications	Date of appointment
Mr. Pitchi Reddy Pamireddy DIN: 01450174 Address: 8-2-293/82/A/265/P, Road No 10, Jubilee Hills, Hyderabad 500033 Telangana, India	He is the founder Chairman of PAC. He has 40 years of experience in the execution of various engineering projects in the areas of structural fabrication, irrigation, water supply, etc.	June 7, 2006
Mr. Venkatakrishna Reddy Puritipati DIN: 01815061	He has completed his Graduation in commerce from Osmania University in 1989. He looks after administration, finance and marketing functions of the Acquirer and PAC. He has 28 years of	June 7, 2006

Name, DIN & Address	Details of the experience and qualifications	Date of appointment
Address: H.No.8-2-293/82/A/295, Road No.25, Jubilee hills Hyderabad 500033, Telangana, India	experience in the execution of various engineering projects in the areas of structural fabrication, irrigation, water supply etc.	
Mrs. Rama Reddy Pamireddy DIN: 01614179  Address: 8-2-293/82/A/265/P, Road No 10, Jubilee Hills, Hyderabad 500033, Telangana, India	She has completed senior secondary from Maharishi Veda Vigyan Maha Vidyalaya, Begumpet, Hyderabad, Telangana.	June 7, 2006
Mrs. Puritipaati Sudharani DIN: 02061208  Address: Plot No.295, H.No.8-2-293/82/A/295, Road No.25, Jubilee hills Hyderabad 500033, Telangana, India	She has completed her Graduation from Nagarjuna University.	September 1, 2008
Mr. Bonthu. Srinivasa Reddy DIN: 02331802  Address: Villa No. 218, Indu Fortune Fields, Phase – 13, Near Hi-Tech City Railway Station, KPHB Colony, Kukatpally, Hyderabad – 500 072, Andhra Pradesh	A MBA in marketing from Anna University and Diploma in Advertising from Annamalai University. He has around 25 years of experience in business development, erection and fabrication of heavy engineering machinery, etc.	November 28, 2009
Mr. Palimpati Doraiah DIN: 02120726  Address: 8-3-320/G/106 Yellareddy Guda, Yousuf Guda, Hyderabad 500073, Telangana, India	He has completed his graduation in B.Sc (Engg.) in 1979 from Ranchi University. He has experience in operations, construction and maintenance of sugar plants, petro chemical plants.	November 28, 2009
Mr. Nadipineni Thirupathi Rao DIN: 00055610  Address: 8-2-269/S/101/B, Plot No-101, Road No-2, Sagar Society, Banjara Hills Hyderabad 500034 Telangana, India	He is a Chartered Accountant and has experience in the field of finance and accounts.	November 28, 2009
Mr. Chakka Peda Subbaiah DIN: 03560382  Address: C-6, Vora Towers	He has completed his Bachelor of Science in Engineering (B.Sc. Engg) from University of Calicut. and has experience in irrigation sector and infrastructure industry.	July 21, 2012

Name, DIN & Address	Details of the experience and qualifications	Date of appointment
Madhuranagar Ameerpet Hyderabad 500038 Telangana, India		

- h. None of the Directors/ key employees of the PAC holds any Equity Shares of the Target Company.
- i. None of the directors of PAC is on Board of the Target Company.
- j. As on date, PAC does not hold any Equity Shares in the Target Company.
- k. PAC have the following major contingent liabilities:

Particulars	Rs. in Lacs
<b>(A) Contingent Liability</b>	
Matters under litigation as on date	
Claims against the company not acknowledged as debt	
<b>Customs duty</b>	
Disputed Customs duty liability for which the company has filed an appeal with CESTAT and stay has been granted by Hon'ble CESTAT.	25.00
<b>Sales tax</b>	
Disputed Vat liability for which the company has filed an appeal with High court/tribunal and stay has been granted by Hon'ble High Court.	4,344.53
Guarantees	
Bank Guarantees issued by banks on behalf of Company & Joint Ventures/Consortiums and others etc. on 31/07/2018	6,81,168.20

- l. PAC has confirmed that it is not categorized as “willful defaulter” in terms of regulation 2(1) (ze) of the SEBI (SAST) Regulations, 2011.
- m. PAC has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
- n. Key financial information of the PAC based on its audited financial statements as on and for the financial years ended March 31, 2015, 2016 and 2017 and limited review financial results for the financial year ended March 31, 2018:

#### Profit and Loss Statement

(Amount in ₹ lacs)

Particulars	For the financial year ended*	For the financial year ended#	For the financial year ended#	For the financial year ended#
	31-Mar-15 (as per IGAAP)	31-Mar-16 (as per IGAAP)	31-Mar-17 (as per IndAS)	31-Mar-18 (as per IndAS)
Income from operations	5,67,435.75	7,47,313.83	13,97,957.00	18,14,956.77
Other income	10,314.44	18,506.55	8,994.60	57,961.26
<b>Total Income</b>	<b>5,77,750.19</b>	<b>7,65,820.38</b>	<b>14,06,951.60</b>	<b>18,72,918.03</b>
Total expenditure	4,87,114.57	6,22,273.77	11,73,836.20	15,11,172.91
Profit before depreciation, interest and tax	90,635.62	1,43,546.61	2,33,115.40	3,61,745.12
Finance Cost	7,581.06	8,253.08	7,063.30	5,233.06
Depreciation	6,047.19	7,968.78	10,296.90	19,041.49
Profit before tax	77,007.37	1,27,324.75	2,15,755.20	3,37,470.57
Profit after tax	67,931.88	1,10,116.01	1,73,034.40	3,01,514.41

\* Based on consolidated financial statements

# Based on standalone financial statements

## Balance Sheet

(Amount in ₹ lacs)

Particulars	As on*	As on*	As on*	As on#
	31-Mar-15 (as per IGAAP)	31-Mar-16 (as per IGAAP)	31-Mar-17 (as per IndAS)	31-Mar-18 (as per IndAS)
<b>Sources of funds</b>				
Paid-up share capital	15,001.00	15,001.00	15,001.00	15,001.00
Reserves and surplus (excluding revaluation reserves)/ Other Equity	2,47,780.21	3,74,748.00	5,68,308.60	8,65,224.48
<b>Net worth</b>	<b>2,62,781.21</b>	<b>3,89,749.00</b>	<b>5,83,309.60</b>	<b>8,80,225.48</b>
Non-Current liabilities	1,23,990.83	1,21,489.49	2,00,253.00	1,42,207.62
<b>Current liabilities</b>				
Short-term borrowings	37,037.09	46,980.79	30,986.90	18,887.25
Other current liabilities	3,69,151.47	5,55,604.91	6,80,449.80	8,60,153.79
<b>Total</b>	<b>7,92,960.60</b>	<b>11,13,824.19</b>	<b>14,94,999.30</b>	<b>19,01,474.14</b>
<b>Uses of Funds</b>				
<b>Non-current assets</b>				
Net fixed assets	2,26,698.18	4,44,018.18	2,29,075.50	1,94,339.81
Non-current investments	5,243.65	6,521.40	28,880.40	1,81,299.39
Other non-current assets	32,845.15	75,055.50	4,88,123.10	3,66,616.77
<b>Current assets</b>				
Current investments	582.63	3,033.15	2,647.30	39,087.64
Other current assets	5,27,590.99	5,85,195.96	7,46,273.00	11,20,130.53
<b>Total</b>	<b>7,92,960.60</b>	<b>11,13,824.19</b>	<b>14,94,999.30</b>	<b>19,01,474.14</b>

\* Based on consolidated financial statements

# Based on standalone financial statements

## Other Financial Data

(Amount in ₹)

Particulars	As on and for the financial year ended*	As on and for the financial year ended#	As on and for the financial year ended#	As on and for the financial year ended#
	31-Mar-15 (as per IGAAP)	31-Mar-16 (as per IGAAP)	31-Mar-17 (as per IndAS)	31-Mar-18 (as per IndAS)
<b>Dividend (%)</b>	5.00	15.00	10.00	-@
Earnings per share	45.28	73.41	116.86	201.00
Return on net worth (%)	25.85	28.25	30.06	34.25
Book value per share	175.18	259.82	383.78	586.78

\* Based on consolidated financial statements

# Based on standalone financial statements

@ Yet to be recommended

## IV. BACKGROUND OF THE TARGET COMPANY

(Information relating to the Target Company mentioned under this section has been sourced from the Target Company, information published by the Target Company or publicly available sources)

- OGI is a public limited listed company having CIN: L34100TG2000PLC035451, incorporated under the provisions of the Companies Act, 1956 on October 11, 2000, as Goldstone Teleservices Limited. Subsequently, the name of the company was changed to Goldstone Infratech Limited and a fresh certificate of incorporation consequent to change of name was issued by Registrar of Companies on October 27, 2007. The name was again changed to its current name and a fresh certificate of incorporation consequent to change of name was issued by Registrar of Companies on July 6, 2018.
- Its registered office is situated at Centre Point Building, 4th Floor, Plot No. 359 to 363 / 401, US Consulate Lane, Begumpet, Secunderabad, Telangana – 500 016.

- c. The Equity Shares of OGL are listed since November 12, 2001 on BSE Limited and since March 20, 2002 on National Stock Exchange of India Limited. The Equity Shares are placed under Group T having a Scrip Code of 532439 on BSE Limited and Symbol OLECTRA on National Stock Exchange of India Limited. The ISIN of Equity Shares of Target Company is INE260D01016.
- d. The Equity Shares of OGL are frequently traded on both the Stock Exchanges within the meaning of the explanation provided to regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011. The trading of Equity Shares has not been suspended on any of the Stock Exchanges where such Equity Shares are listed.
- e. OGL is inter-alia engaged in the business of manufacturing and selling of insulators and assembling, manufacturing, selling, marketing and after sales service of electric vehicles.
- f. As on the date of this DLoF, the authorized share capital of OGL is ₹ 60,00,00,000 (Rupees sixty crores only) divided into 15,00,00,000 (fifteen crores only) Equity Shares. The Voting and Paid-up Equity Share Capital of the Target Company means 5,01,80,737 fully paid-up Equity Shares of face value of ₹ 4 each.
- g. As on the date of this DLoF, the total equity share capital of the Target Company is as follows:

Particulars	Voting and Paid-Up Equity Share Capital	
	Number of shares	%
Fully paid up Equity Shares	5,01,80,737	100.00
Partly paid up Equity Shares	Nil	Nil
Total paid up Equity Shares	5,01,80,737	100.00
<b>Equity Share Capital</b>	<b>5,01,80,737</b>	<b>100.00</b>

Source: Target Company

- h. As on date, the Target Company has 54,00,000 outstanding warrants convertible to equal number of Equity Shares, allotted pursuant to its board meeting dated October 11, 2017 to Goldstone Power Private Limited (belonging to existing promoter group of the Target Company).
- i. The Board of Directors of the Target Company as on the date of DLoF are as under:

Name	DIN	Designation	Date of Appointment
Mr. Naresh Kumar Rawal	01630545	Managing Director	December 12, 2017
Mr. Gopalakrishna Muddusetty	00088454	Independent Director	October 29, 2007
Mr. Boppudi Apparao	00004309	Independent Director	September 30, 2009
Mr. Nerusu Naga Satyam	02600472	Executive Director	May 23, 2018
Justice Mrs. Gyan Sudha Misra (Retd.)	07577265	Independent Director	May 23, 2018

- j. No merger/demerger happened in the Target Company during the last 3 years.
- k. The Target Company's key financial information based on its audited consolidated financial statements as on and for the financial years ended March 31, 2016, March 31, 2017 and March 31, 2018 and limited review consolidated financials as on and for the 3 months ended June 30, 2018 is as below:

### Profit and Loss Statement

Particulars	(Amount in ₹ lacs)			
	For the financial year ended March 31, 2016 (as per IGAAP)	For the financial year ended March 31, 2017 (as per IndAS)	For the financial year ended March 31, 2018 (as per IndAS)	For the three months period ended June 30, 2018^ (Limited Review) (as per IndAS)
Revenue from operations	9,295.92	11,406.64	16,421.53	3,328.86

Particulars	For the financial year ended March 31, 2016 (as per IGAAP)	For the financial year ended March 31, 2017 (as per IndAS)	For the financial year ended March 31, 2018 (as per IndAS)	For the three months period ended June 30, 2018 <sup>^</sup> (Limited Review) (as per IndAS)
Other income	170.57	120.37	733.74	44.41
<b>Total Income</b>	<b>9,466.49</b>	<b>11,527.01</b>	<b>17,155.27</b>	<b>3,373.27</b>
Total expenses	7,454.43	9,395.32	15,030.87	3,458.19
<b>Profit before depreciation &amp; amortization, interest, exceptional and extraordinary items and tax</b>	<b>2,012.06</b>	<b>2,131.69</b>	<b>2,124.40</b>	<b>(84.92)</b>
Depreciation & Amortization	546.81	246.31	322.23	145.90
Finance Cost	574.28	572.61	612.87	306.93
Exceptional and extraordinary items	72.36	-	-	-
<b>Profit before tax</b>	<b>818.61</b>	<b>1,312.77</b>	<b>1,189.30</b>	<b>(537.75)</b>
Total tax expense	238.98	470.83	300.03	(143.99)
<b>Profit after tax</b>	<b>579.63</b>	<b>841.94</b>	<b>889.27</b>	<b>(393.76)</b>
Other comprehensive income, net of tax	-	(7.44)	(53.30)	-
<b>Total Comprehensive Income</b>	<b>579.63</b>	<b>834.50</b>	<b>835.97</b>	<b>(393.76)</b>

<sup>^</sup> Based on standalone financial statements

#### Balance Sheet

(Amount in ₹ lacs)

Particulars	As on March 31, 2016 (as per IGAAP)	As on March 31, 2017 (as per IndAS)	As on March 31, 2018 (as per IndAS)	As on June 30, 2018 (Limited Review) (as per IndAS)
<b>Sources of funds</b>				
Paid-up share capital	1,443.23	1,443.23	2,007.23	NA
Reserves and surplus (excluding revaluation reserves)/ Other Equity	7,176.67	5,180.21	17,827.73	NA
<b>Net worth</b>	<b>8,619.90</b>	<b>6,623.44</b>	<b>19,834.96</b>	<b>NA</b>
<b>Non-current liabilities</b>				
Long-term borrowings	2,747.60	393.66	973.45	NA
Other non-current liabilities	1,201.97	188.39	286.62	NA
<b>Current liabilities</b>				
Short-term borrowings	2,233.03	5,980.84	6,268.80	NA
Trade Payables	1,921.84	1,292.13	2,744.69	NA
Other current liabilities	671.01	1,852.18	1,432.77	NA
<b>Total</b>	<b>17,395.35</b>	<b>16,330.64</b>	<b>31,541.29</b>	<b>NA</b>
<b>Uses of Funds</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7,572.82	6,103.28	6,771.40	NA
Capital work-in-progress	1,881.84	1,083.31	649.32	NA
Intangible assets	13.60	-	389.34	NA
Other non-current assets	147.42	1,390.65	2,350.85	NA
<b>Current assets</b>				
Inventories	1,666.58	2,315.89	6,341.81	NA
Financial assets	5,778.47	4,755.66	11,817.06	NA
Other current assets	334.62	681.85	3,221.51	NA
<b>Total</b>	<b>17,395.35</b>	<b>16,330.64</b>	<b>31,541.29</b>	<b>NA</b>

NA – Not Available

**Other Financial Data***(Amount in ₹ unless specified otherwise)*

<b>Particulars</b>	<b>As on and for the financial year ended March 31, 2016 (as per IGAAP)</b>	<b>As on and for the financial year ended March 31, 2017 (as per IndAS)</b>	<b>As on and for the financial year ended March 31, 2018 (as per IndAS)</b>	<b>As on and for the three months period ended June 30, 2018<sup>^</sup> (Limited Review) (as per IndAS)</b>
Dividend (%)	-	-	-	-
Earnings per share	1.61	2.33	2.07	(0.78)
Return on net worth (%)	6.72	12.71	4.48	NA
Book value per share	23.89	18.36	39.53	NA

<sup>^</sup> Based on standalone financial statements

NA – Not Available

- l. Details of the contingent liabilities of the Target Company as on March 31, 2018 (as disclosed in the financial statements of the Target Company):

*(Amount in ₹ lacs)*

<b>Particulars</b>		<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
i)	Contingent liabilities:		
	- Corporate guarantees given	1,350.00	1,350.00
	- Letter of credit outstanding	928.66	829.35
	- Bank guarantees	5,301.00	3,783.70
	- Unclaimed dividend	2.39	3.68
ii)	Commitments:		
	- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	1,032.34	159.00

- m. Shareholding pattern of the Target Company as on August 24, 2018 and post Offer is provided below:

The shareholding pattern as on August 24, 2018 and post Offer shareholding pattern of the Target Company is as follows:

Shareholder s' Category	Shareholding & voting rights to the agreement/ acquisition and Offer (as on DLoF)		Equity Shares/voting rights agreed to be acquired which triggered under the SEBI (SAST) Regulations, 2011		Equity Shares/Voting rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding/voting rights after the acquisition and Offer	
	A		B		C		D = A+C	
	No.	%	No.	%*	No.	%*	No.	%*
<b>(1) Promoter and Promoter Group (excluding Acquirer and PAC)</b>								
<b>a. Parties to Agreements</b>								
Trinity (Seller)	2,31,76,165^	41.70	(1,00,00,000)	10.97	-	-	1,31,76,165^	14.45
<b>b. Promoters and Promoter Group other than (a) above</b>	5,71,350	1.03	-	-	-	-	5,71,350	0.63
<b>Sub-Total (1) (a+b)</b>	<b>2,37,47,515</b>	<b>42.73</b>	<b>(1,00,00,000)</b>	<b>10.97</b>	<b>-</b>	<b>-</b>	<b>1,37,47,515</b>	<b>15.08</b>
<b>(2) Acquirer along with the PAC</b>								
A. Acquirer	-	-	4,56,00,000#	50.01#	2,37,06,992	26.00	6,93,06,992 #	76.01#
B. PAC	-	-	-	-	-	-	-	-
<b>Sub-Total (b)</b>	<b>-</b>	<b>-</b>	<b>4,56,00,000#</b>	<b>50.01#</b>	<b>2,37,06,992</b>	<b>26.00</b>	<b>6,93,06,992#</b>	<b>76.01</b>
<b>(3) Parties to agreement other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Shareholder s' Category	Shareholding & voting rights to the agreement/ acquisition and Offer (as on DLoF)		Equity Shares/voting rights agreed to be acquired which triggered under the SEBI (SAST) Regulations, 2011		Equity Shares/Voting rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding/voting rights after the acquisition and Offer	
	A		B		C		D = A+C	
	No.	%	No.	%*	No.	%*	No.	%*
than (1) (a) & (2)								
<b>Total Promoter and Promoter Group (1+2)<sup>§</sup></b>	<b>2,37,47,515</b>	<b>42.73</b>	-	-	-	-	<b>8,30,54,507</b>	<b>91.09</b>
(4) Public (other than parties to agreement, acquirer & PAC) (d)								
a. Institutions	3,18,33,222	57.27	-	-	(2,37,06,992)	(26.00)	81,26,230	8.91
b. Others								
<b>Total (d)</b>	<b>3,18,33,222</b>	<b>57.27</b>	-	-	<b>(2,37,06,992)</b>	<b>(26.00)</b>	<b>81,26,230</b>	<b>8.91</b>
<b>Grand Total (1+2+3+4)</b>	<b>5,55,80,737</b>	<b>100.00</b>	<b>4,65,00,000</b>	<b>50.01</b>	-	-	<b>91,180,737<sup>®</sup></b>	<b>100.00</b>

<sup>^</sup> After considering conversion of 54,00,000 warrants held by wholly owned subsidiary of the Seller being Goldstone Power Private Limited

<sup>\*</sup> Computed as a percentage of Emerging Share Capital of the Target Company

<sup>#</sup> Acquirer has agreed to acquire 1,00,00,000 Equity Shares pursuant to the SPA. Pursuant to the SSA, the board of directors of the Target Company in its meeting held on August 10, 2018 has approved preferential issuance of 2,65,00,000 Equity Shares and 91,00,000 convertible warrants to the Acquirer as per the applicable provisions of the Companies Act, 2013 and in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Including 91,00,000 convertible warrants proposed to be allotted pursuant to the preferential issue.

<sup>®</sup> Emerging Share Capital of the Target Company (not computed as D=A+C)

<sup>§</sup> The issue of equity shares and warrants pursuant to the SSA together with equity shares acquired by the Acquirer pursuant to SPA would constitute acquisition of control by the Acquirer over the Target Company pursuant to the SEBI (SAST) Regulations, 2011 and the Acquirer shall comply with the requirements of the SEBI (SAST) Regulations, 2011 with respect to change of control including for classifying the Acquirer as the promoter in place of the existing promoter.

- n. Total no. of public shareholders were 11,079 as on August 24, 2018.
- o. The acquisition of the Offer Shares may result in the public shareholding in the Target Company falling below the minimum level required for continued listing under regulation 38 of LODR and Rule 19A of SCRR. The Acquirer and the PAC undertake to decrease the non-public shareholding to the level specified and within the time stipulated under the SCRR, as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations, 2011.

## V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A. Justification of Offer Price

- a. The Offer is being made to the Public Shareholders in accordance with regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011.
- b. The Equity Shares of the Target Company are listed on the Stock Exchanges.
- c. The trading turnover in the Equity Shares based on the trading volumes during the 12 (twelve) calendar months preceding the calendar month in which the PA was made is as given below:

Stock exchange	Total no. of Equity Shares traded (for a period of 12 calendar months preceding the calendar month in which the PA is made* ("A"))	Total no. of listed equity shares during the 12 calendar months preceding date of the PA ("B")#	Weighted average number of Equity Shares beginning from *August 2017 to July 2018 (C)	Trading turnover % (A/B)
<b>BSE</b>	1,09,30,435	5,01,80,737 <sup>^</sup>	4,76,56,628	22.94
<b>NSE</b>	2,97,81,425	5,01,80,737 <sup>^</sup>	4,76,56,628	62.49

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

# (Source: Based on the last return of allotment filed by the Company with ROC)

<sup>^</sup> The Company had allotted 1,33,00,000 and 8,00,000 equity shares in its board meeting held on October 5, 2017 and October 11, 2017, respectively, pursuant to the extra-ordinary general meeting held on September 9, 2017 on preferential basis. The total number of listed equity shares were 3,60,80,737, before the preferential issue of aforementioned equity shares

\* Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the August 2017 adjusted by the number of equity shares issued during 12 months period ended on July 31, 2018 multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year

Based on the above, the Equity Shares are frequently traded on the Stock Exchanges in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.

- d. The Offer Price of ₹ 175.30 (Rupees one hundred seventy five and thirty paise) per Equity Share is justified in terms of regulation 8(2) of the SEBI (SAST) Regulations, 2011, being the highest of the following parameters:

Details	Amount (in ₹)
The highest negotiated price per equity share of the Target Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer*	175.30
The volume-weighted average price ("VWAP") paid or payable per Equity Share for acquisitions, whether by the Acquirer or PAC, during the fifty-two weeks immediately preceding the date of the public announcement	NA
The highest price paid or payable per Equity Share for any acquisition, whether by the Acquirer or PAC, during the twenty-six weeks immediately preceding the date of the public announcement	NA

Details	Amount (in ₹)
The volume-weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the public announcement as traded on NSE (as the maximum volume of trading in the Equity Shares of the Target Company is recorded on NSE during such period)	162.91
Where the 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	NA

NA = Not applicable

*\*Considered highest price between (i) the price at which the preferential allotment of equity shares and warrants are proposed to be made to the Acquirer being ₹175.30; and (ii) the price at which the Acquirer has agreed to purchase equity shares pursuant to the Share Purchase Agreement dated August 10, 2018 being ₹100.00.*

- e. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under regulation 8(9) of the SEBI (SAST) Regulations, 2011. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split, etc. where the record date for effecting such corporate actions falls 3 (three) Working Days prior to the commencement of tendering period of the Offer.
- f. As on date there is no revision in Offer Price or Offer Size. The Offer Price is subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations, 2011 or at the discretion of the Acquirer and/ or PAC at any time prior to 3 (three) Working Days before the commencement of the Tendering Period in accordance with regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision, the Acquirer and/ or the PAC shall make corresponding increase in the cash in the Escrow Account and Bank Guarantee in accordance with regulation 18(5) of the SEBI (SAST) Regulations, 2011 and the Acquirer and the PAC shall (i) make a public announcement in the same newspapers in which the DPS was published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
- g. In the event of acquisition of the Equity Shares by the Acquirer and/ or the PAC 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, 2011. However, the Acquirer and/ or the PAC shall not acquire any Equity Shares after 3 (three) Working Day prior to the commencement of the Tendering Period of this Offer and until the expiry of the Tendering Period of this Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be done at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period of this Offer in accordance with regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision, the Acquirer and/ or the PAC shall make corresponding increase in the cash in the Escrow Account and Bank Guarantee in accordance with regulation 18(5) of the SEBI (SAST) Regulations, 2011 and the Acquirer and the PAC shall (i) make a public announcement in the same newspapers in which the DPS was published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
- h. If the Acquirer or the PAC acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer and the PAC shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition in accordance with regulation 8(10) of the SEBI (SAST) Regulations, 2011. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, 2011 or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company whether by way of bulk deals, block deals or in any other form.

## **B. Financial Arrangements**

- a. The total consideration for the Offer Size, assuming full acceptance of the Offer is ₹ 4,15,58,35,697.60

(Rupees four hundred fifteen crore fifty eight lacs thirty five thousand six hundred ninety seven and paise sixty only).

- b. The Acquirer has furnished a Bank Guarantee in favour of the Manager to the Offer from YES Bank Limited through its branch located at Somajiguda, Hyderabad, having bank guarantee No: 006GM09182250003 for an amount of ₹ 1,03,90,00,000/- (Rupees one hundred three crore ninety lacs only). The Manager to the Offer has been duly authorised to realise the value of the Bank Guarantee in accordance with of the SEBI (SAST) Regulations, 2011. The Bank Guarantee is valid upto August 9, 2019 (claim expiry date). The Manager to the Offer is not an associate of the Acquirer and the PAC.
- c. In addition to the above, in accordance with regulation 17(4) of the SEBI (SAST) Regulations, 2011, the Acquirer and PAC have created an escrow account named “OGL OPEN OFFER ESCROW A/C” with YES Bank Limited (acting through its branch at Somajiguda, Hyderabad) and have made a cash deposit of a sum of ₹ 4,50,00,000/- (Rupees four crore fifty lakh only) in the Open Offer Escrow Account which is more than 1% of the Offer Size required to be deposited in cash. The Manager has entered into Escrow Agreement with the Acquirer and PAC and the Escrow Bank pursuant to which the Manager has been empowered to operate the escrow account and the Acquirer and PAC have solely authorized the Manager to the Open Offer to realize the monies lying to the credit of the Open Offer Escrow Account as per the provisions of the SEBI (SAST) Regulations, 2011.
- d. The Acquirer together with PAC have confirmed that they have adequate and firm financial resources to meet the obligations under the Open Offer and by way of security for performance by the Acquirer and PAC of their obligations under the SEBI (SAST) Regulations, 2011. The Acquirer and PAC propose to fund the Offer out of internal accruals.
- e. CA Ch. Sree Ramachandra Murthy (Membership no. 233010), partner of Darapaneni & Co. (FRN: 000685S) located at Flat No. 1A, Rama Apartments, Plot No. 84, Srinagar Colony, Hyderabad – 500073, Telephone: 04023735095/23736487, Email: darapaneni1986@gmail.com has vide his certificate dated August 10, 2018, certified that the Acquirer and PAC have firm and adequate financial arrangement to meet the financial requirements to fulfill their obligations under this Offer.
- f. In case of any upward revision in the Offer Price or the Offer Size, the cash in the Escrow Account and Bank Guarantee shall be increased by the Acquirer and/or PAC in terms of regulation 17(2) of the SEBI (SAST) Regulations, 2011, prior to effecting such revision.
- g. Based on the above and on confirmation received from the Escrow Bank and Chartered Accountant for the Acquirer and PAC, the Manager is satisfied about the ability of the Acquirer together with PAC to implement the Open Offer in accordance with the SEBI (SAST) Regulations, 2011, as firm financial arrangements are in place to fulfill their obligations in relation to this Open Offer through verifiable means.

## **VI. TERMS AND CONDITIONS OF THE OFFER**

### **A. Operational Terms and Conditions**

- a. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on October 10, 2018 and close on October 24, 2018.
- b. The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- c. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
- d. This Open Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations 2011.
- e. As on date there is no revision in Offer Price or Offer Size. The Offer Price is subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations, 2011 or at the discretion of the Acquirer and/or PAC at any time prior to 3 (three) Working Days before the commencement of the Tendering Period in accordance with regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision, the Acquirer

and/or the PAC shall make corresponding increases the cash in the Escrow Account and Bank Guarantee in accordance with regulation 18(5) of the SEBI (SAST) Regulations, 2011 and the Acquirer and the PAC shall (i) make a public announcement in the same newspapers in which the DPS was published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

- f. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be done at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period of this Offer in accordance with regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision, the Acquirer and/or the PAC shall make corresponding increases the cash in the Escrow Account and Bank Guarantee in accordance with regulation 18(5) of the SEBI (SAST) Regulations, 2011 and the Acquirer and the PAC shall (i) make a public announcement in the same newspapers in which the DPS was published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
- g. Accidental omission to dispatch the Letter of Offer to any Public Shareholder to whom this Open Offer has been made or non-receipt of this Letter of Offer by any such Public Shareholder shall not invalidate this Open Offer in any way.
- h. The Identified Date for this Offer as per the schedule of activities is September 25, 2018.
- i. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one).
- j. None of the Acquirer and the PAC, the Manager or the Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer Acceptance Forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
- k. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer and PAC in consultation with the Manager.
- l. The Acquirer and PAC reserve the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 3 (three) Working Days prior to the commencement of the Tendering Period in accordance with the SEBI (SAST) Regulations, 2011 and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer and PAC would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
- m. In terms of regulation 18(9) of the SEBI (SAST) Regulations, 2011, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- n. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.
- o. Locked in Equity Shares: The locked-in Equity Shares, if any acquired pursuant to the agreement or offer can be transferred to the Acquirer, subject to the continuation of the residual lock-in period in the hands of the Acquirer and PAC. The Manager to the Offer ensures that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.
- p. 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. This Draft Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

**B. Eligibility for accepting the Offer**

- a. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in

the register of members of the Target Company on the Identified Date.

- b. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible (subject to section C of part VI (Statutory and other Approvals) below) to participate in this Offer.
- c. The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer, the Letter of Offer and the Form of Acceptance for physical shareholders will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance from SEBI's website.
- d. The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever. The Acquirer and the PAC will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Public Shareholders are advised to adequately safeguard their interests in this regard.
- e. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
- f. By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer for the purpose of this Offer.

**C. Statutory and Other Approvals**

- a. As on the date of the DLoF, to the best knowledge of the Acquirer and the PAC, there are no statutory approvals required by the Acquirer and/or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer and/or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and/or the PAC shall make the necessary applications for such approvals.
- b. All Public Shareholders, including NRI and erstwhile OCB holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Offer Shares.
- c. In case of delay in receipt of any statutory approval which may be required by the Acquirer and/or the PAC at a later date, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with regulation 18(11) of the SEBI (SAST) Regulations, 2011, permit the Acquirer and/or the PAC to delay the commencement of the Tendering Period for the Offer pending receipt of such statutory approval(s) or grant an extension of time to the Acquirer to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval or grant extends to some but not all of the Public Shareholders, the Acquirer and/or the PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- d. The Acquirer and the PAC will have the right to withdraw this Offer in accordance with regulation 23 of the SEBI (SAST) Regulations, 2011, in the event the statutory approvals (if required as indicated above) are refused for any reason outside the reasonable control of the Acquirer and/or the PAC. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS was published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

## VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- a. All the Public Shareholders, whether holding the shares in physical form or dematerialized form, registered or unregistered are eligible to participate in this Offer at any time during the Tendering Period for this Offer.
- b. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e. the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- c. The Open Offer will be implemented by the Acquirer through stock exchange mechanism made available by the Stock Exchanges in the form of separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations, 2011 and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI and as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notice no. 20170202-34 dated February 2, 2017 and notice no. 20170210-16 and 20170210-23 dated February 10, 2017, in each case as amended from time to time.
- d. BSE shall be the designated stock exchange for tendering of Equity Shares in the Open Offer.
- e. The Acquirer has appointed YES Securities (India) Limited as their broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made. The Contact details of the Buying Broker are as mentioned below:

YES Securities (India) Limited  
Unit No.602 A, 6th Floor,  
Tower 1&2, Indiabulls Finance Centre (IFC),  
Senapati Bapat Marg, Elphinstone Road,  
Mumbai-400013  
Tel: +91 22 3012 6946  
Fax: +91 22 2421 4508  
Contact Person: Mr. Suresh Pal/ Swapnil Kale

- f. All Public Shareholders who desire to tender their Equity Shares under the Offer would have to intimate their respective stock brokers (“**Selling Brokers**”) within the normal trading hours of the secondary market, during the Tendering Period.
- g. The separate Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Selling Broker can enter orders for dematerialized as well as physical Equity Shares.
- h. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the Designated Stock Exchange during the Tendering Period.
- i. Modification/cancellation of orders will not be allowed during the Tendering Period of the Open Offer.
- j. Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).
- k. The Equity Shares tendered in response to the Offer will be held in a trust by the Registrar to the Offer / Clearing Corporation until the completion of the Offer (in accordance with the SEBI (SAST) Regulations, 2011 and other applicable laws, rules and regulations), and the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such Equity Shares until the completion of the Offer or withdrawal of the Offer in accordance with regulation 23 of the SEBI (SAST) Regulations, 2011.
- l. In the event Seller Broker(s) are not registered with BSE or if the shareholder does 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 Company's Broker viz. YES Securities (India) Limited, to bid by using quick UCC facility.

- m. The Public Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

**In case of Public Shareholder being an individual**

If Public Shareholder is registered with KYC Registration Agency (“KRA”): Forms 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 only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Public Shareholder is not registered with KRA: Forms required:

- 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 only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

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

**In case of Shareholder being a HUF**

If Public Shareholder is registered with KYC Registration Agency (“KRA”): Forms 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 only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Shareholder is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
  - PAN card copy of HUF & KARTA
  - Address proof of HUF & KARTA
  - HUF declaration
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

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

**In case of Public Shareholder being other than Individual and HUF:**

If Shareholder is KRA registered: Forms required:

- Know Your Client (KYC) form Documents required (all documents certified true copy)
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (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

If Shareholder is not KRA registered: Forms 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
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (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/authorised 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

Additionally, registered Public Shareholders holding Equity Shares in physical form must also provide the documents mentioned in paragraph o of part VII. 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.

n. **Procedure for tendering Equity Shares held in Dematerialised Form:**

- Public Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Open Offer would have to do so through their respective DP/ Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer.
- Public Shareholders shall submit delivery instruction slip (“**DIS**”) duly filled- in specifying market type as “Open Offer” and execution date along with all other details to their respective Selling Broker so that the shares can be tendered in the Open Offer.
- The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the BSE. Before placing the order/bid, the Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by the BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- Upon placing the order, the Selling Broker shall provide TRS generated by the stock 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.
- Modification/cancellation of orders will not be allowed during the Tendering Period of the Open Offer.
- 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 time provided by the Stock Exchange on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 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.

- viii. The shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated Open Offer.
  - ix. The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
  - x. The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance.
- o. Procedure for tendering the Equity Shares held in physical form:**
- i. The Public Shareholders holding physical shares and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:
    - I. Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
    - II. Original share certificate(s);
    - III. Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;
    - IV. Self-attested PAN Card copy (in case of joint holders, PAN card copy of all transferors);
    - V. Any other relevant document such as (but not limited to) powers of attorney and/or corporate authorizations (including board resolution(s)/specimen signature(s)), Notarized Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased, etc.
    - VI. Self-attested copy of proof of address such as valid Aadhar card, voter ID, passport or driving license.
  - ii. The Selling Broker(s) should place bids on the exchange platform including the relevant details as specified on the physical share certificate(s). The Selling Broker (s) shall print the TRS generated by the exchange bidding system. The TRS will contain the details of order submitted such as Folio No., Certificate No., Dist. Nos. and number of Equity Shares.
  - iii. The Selling Broker(s)/Public Shareholder must deliver the share certificates relating to its Equity Shares and other documentation listed in paragraph (a) above along with the TRS to the Registrar to the Offer i.e. Karvy Computershare Private Limited at the address mentioned on the cover page. The envelope should be superscribed "Olectra Greentech Limited Open Offer". Share certificates for physical shares must reach the Registrar to the Offer within 2 (two) days of bidding by the Selling Broker.
  - iv. The Public Shareholders holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified in paragraph (a) above are submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar to the Offer. On receipt of the confirmation from the Registrar, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform.
  - v. In case any person has submitted physical shares for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in this Offer by or before the closure of the Tendering Period.

The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Public Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptances along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance.

p. **Acceptance of Shares**

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

In the event that the number of Equity Shares (including demat shares, physical) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

q. **Procedure for tendering the shares in case of non-receipt of Letter of Offer:**

- i. 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 the Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- ii. A Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.
- iii. The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company. The Form of Acceptance will not be sent to the Public Shareholders holding Equity Shares in Demat mode. 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
- iv. The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and shareholders can also apply by downloading such forms from the said website.
- v. Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents as mentioned in the LoF above along with Form SH 4 (in case of Equity Shares being held in physical form). Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Offer.

r. **Settlement Process**

On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to

their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Offer.

The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non –acceptance of the shares under the Offer.

Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Public Shareholders directly by the Registrar to the Offer. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.

Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Open Offer. If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.

Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer, PAC or the Target Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.

Once the basis of acceptance is finalised, 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.

Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Offer.

Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Shareholders'/ unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner.

It may be noted that the Public 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.

s. **Settlement of Funds / Payment Consideration**

The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.

For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds payout to respective Public Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.

The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost,

charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to 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.

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 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 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.

## **VIII. NOTE ON TAXATION**

THE SUMMARY OF THE INCOME-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 AND PAC DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

a. General:

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, 1961 ("**IT 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) and income received by such persons in India. In case of shares of a company, the source of income from shares would 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.

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 IT Act.

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 IT Act.

The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.

The summary of income-tax implications on tendering of listed equity shares on the recognised stock exchanges in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

b. Classification of Shareholders:

Shareholders can be classified under the following categories: Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

Non-Resident Shareholders being:

- Non-Resident Indians (NRIs)
- Foreign Portfolio Investors (FPIs)
- Others:
  - Company
  - Other than company

c. Classification of Income from equity shares can be classified under the following two categories:

- Shares held as investment (Income from transfer taxable under the heading "Capital Gains")
- Shares held as stock-in-trade (Income from transfer taxable under the heading "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).

d. Shares held as investment:

As per the provisions of the IT 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 would be computed as per provisions of Section 48 of the IT Act.

e. Period of holding:

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

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").

Similarly, where equity shares are held for a period of more than 12 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").

- f. Tendering of Shares in Open Offer through a recognized Stock Exchange in India:  
Where a transaction for transfer of such equity shares (i.e. acceptance under the Open offer) is transacted through a Recognized Stock Exchange and is chargeable to Securities Transaction Tax ("STT"), then the taxability will be as under (for all categories of shareholders):

As per the current provisions of the IT Act, LTCG arising from transfer of long-term capital asset on or after April 1, 2018, would be chargeable to tax under Section 112A of the IT Act @10% (on gains exceeding INR 1 lakh).

STT should have been paid both at the time of acquisition and at the time of transfer.

The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

The benefit of inflation indexation of the cost of acquisition would not be available for computing long-term capital gains.

The long-term capital gains in case of FIIs will be determined in the same manner as in the case of resident tax payers.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is to be considered while computing the income-tax on such LTCG taxable under section 112A.

As per the current provisions of the IT Act, STCG arising from such transaction would be subject to tax @ 15% under Section 111A of the IT Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the income-tax on such STCG taxable under Section 111A of the IT Act.

As per the current provisions of the IT Act, in addition to the above STCG and LTCG tax, surcharge, health and education cess are leviable.

- g. Shares held as stock-in trade:  
If the shares are held as stock-in-trade by any of the shareholders of the Target Company, then the gains would be characterized as business income and taxable under the heading "Profits and Gains from Business or Profession".
- h. Resident Shareholders:  
For individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates. For persons other than stated above, profits would be taxable @ 30%.
- i. Non-Resident Shareholders:  
Non-resident shareholders can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions (including non- applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.
- j. Where DTAA provisions are not applicable:
- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
  - For foreign companies, profits would be taxed in India @ 40%.
  - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%. As per the current provisions of the IT Act, in addition to the above, surcharge, and health and education

cess are leviable.

k. Tax Deduction at Source:

**Resident Shareholders:**

In absence of any specific provision under the IT Act, the Acquirer and the PAC are not required to deduct tax on the consideration payable to the shareholders pursuant to Tendering of the Shares under the Offer.

**Non-Resident Shareholders:**

In Case of FPI:

Section 196D of the IT Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FPIs. Thus, no withholding of tax is required in case of consideration payable to FPIs.

In Case of non-resident tax payer (other than a Foreign Institutional Investor):

Section 195(1) of the IT Act provides that any person responsible for paying to a nonresident, 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 IT Act. In doing this, the Acquirer and the PAC will be guided by generally followed practices and make use of data available in Registrars records except in cases where the non-resident shareholders provide a specific mandate in this regard.

Under Section 195 of the IT Act, tax is required to be deducted on payments made to non-residents, at the rates prescribed in Part-II of the First Schedule to the Finance Act. In terms of the said provisions, tax at the rate of 10% (Ten percent) will be deducted from payment of long-term capital gains to a non-resident tax payer (other than a Foreign Institutional Investor). The capital gains will be required to be computed in accordance with 112A of the IT Act.

Since the tendering of shares under the Offer is through the recognised stock exchanges in India, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians, authorized dealers and/or tax advisors, as appropriate.

l. Rate of Surcharge and Cess:

As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge, health and education cess are leviable.

THE ABOVE DISCLOSURE 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. THIS DISCLOSURE 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, SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

**IX. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection by the Public Shareholders at the office of the Manager at YES Securities (India) Limited, IFC, Tower 1&2, Unit No. 602 A, 6th Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai 400 013, Maharashtra, India, between 10:30 a.m. and 3:00 p.m. on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period (Wednesday, October 10, 2018) until the date of closure of the Tendering Period (Wednesday, October 24, 2018).

1. Copies of the Memorandum and Articles of Association and certificate of incorporation of the Acquirer and the PAC;
2. CA Certificate dated August 10, 2018 issued by CA Ch. Sree Ramachandra Murthy (Membership no. 233010), partner of Darapaneni & Co. (FRN: 000685S) certifying that the Acquirer and the PAC have



adequate and firm financial resources through verifiable means to fulfill their obligations under this Offer;

3. Copies of the financial statements of Acquirer for the financial years ending on March 31, 2015, 2016 and 2017 and limited review financial results for the financial year ended March 31, 2018;
4. Copies of the financial statements of PAC for the three financial years ending on March 31, 2015, 2016 and 2017 and limited review financial results for the financial year ended March 31, 2018;
5. Copies of the annual reports of the Target Company for the three financial years ending on March 31, 2015, 2016 and 2017 and audited financial results for the financial year ended March 31, 2018 and limited review financial results for the 3 months period ended June 30, 2018;
6. Certified true copy of the SPA;
7. Certified true copy of the SSA;
8. Letter dated August 10, 2018 from the Escrow Bank confirming the receipt of the cash deposit in the Open Offer Escrow Account;
9. Copy of Bank Guarantee no. 006GM09182250003 issued by YES Bank Limited on behalf of the Acquirer, in favour of Manager to the Offer;
10. Copy of the Public Announcement, Detailed Public Statement and Offer opening public announcement;
11. A copy of the recommendation made by the committee of independent directors of the Target Company published in the newspapers on [●];
12. SEBI observation letter no. [●] dated [●] on the Draft Letter of Offer;
13. The Open Offer Escrow Agreement between the Acquirer, the Manager and the Open Offer Escrow Agent.

**X. DECLARATION BY THE ACQUIRER AND THE PAC**

1. The Acquirer and the PAC and their respective directors accept full responsibility for the information contained in the Draft Letter of Offer (other than such information as has been obtained from public sources).
2. The Acquirer and the PAC and their respective directors also accept full responsibility for their obligations under the Offer and shall be severally and jointly liable for ensuring compliance with the SEBI (SAST) Regulations, 2011.
3. The persons signing this Draft Letter of Offer are duly and legally authorized by the Acquirer or the PAC, as applicable, to sign the Draft Letter of Offer.

**For and on behalf of the Acquirer and the PAC**

<b>Sd/-</b> <b>MEIL Holdings Limited (Acquirer)</b>	<b>Sd/-</b> <b>Megha Engineering &amp; Infrastructures Limited (PAC)</b>
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**Place:** Hyderabad

**Date:** August 29, 2018