

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

OPEN OFFER ("OFFER") BY

M/s. Ram Gopal Goyal & Sons LLP ("Acquirer No. 1")

having its Office situated at A – 7/2, Shivaji Apartment, Sector – 14, Rohini, New Delhi – 110 085 and

Mr. Vikram Goyal ("Acquirer No. 2") & Mr. Rajan Goyal ("Acquirer No. 3"),

both residing at A – 7/2, Shivaji Apartment, Sector – 14, Rohini, New Delhi – 110 085

Tel No.: 011 – 2794 0111; Email ID: rggsonslp@gmail.com

TO

Acquire 38,32,020 (Thirty Eight Lakhs Thirty Two Thousand and Twenty) Fully Paid Up Equity Shares of the face value of Rs. 10/- each, being constituting 26% of the Equity Share Capital of

SONAL MERCANTILE LIMITED ("SML" / "TARGET COMPANY")

Regd. Office: 372, Vardhman Plaza, III Floor, Sector – 3, Rohini, New Delhi – 110 085.

Tel No: 011 – 4909 1417; E-mail ID: sonalmercantile@yahoo.in, Website: www.sonalmercantile.in

Corporate Identification Number (CIN): L51221DL1985PLC022433

At a price of Rs. 15.30/- (Rupees Fifteen and Thirty Paise Only) per fully paid-up Equity Share (the "Offer Price") payable in Cash pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time ("SEBI (SAST) Regulations 2011").

- 1) This Offer is being made by the Acquirers pursuant to Regulations 3(1) & 4 and all other applicable provisions of the SEBI (SAST), Regulations 2011.
- 2) The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI SAST Regulations. This Offer is not a competing offer in terms of Regulation 20 of SEBI SAST Regulations.
- 3) This Offer is subject to certain statutory, regulatory and other approvals and conditions described in paragraph 7.4.
- 4) The Shareholders who have tendered shares in acceptance of the Open Offer by tendering the requisite documents, in terms of the Public Announcement / Detailed Public Statement / Letter of Offer, shall not be entitled to withdraw such acceptance.
- 5) Upward revision if any in the Offer Price and / or Size by the Acquirers up to three working days prior to the commencement of the tendering period i.e. up to September 12, 2018, or in the case of withdrawal of offer, the same would be informed by way of the Public Announcement in the same newspapers in which the original Detailed Public Statement in relation to this Offer had appeared. Such revised in the Offer Price would be payable for all the shares for all the shares validly tendered anytime during the period that the offer is open and accepted under the Offer.
- 6) **There have been no competing offers in this Offer.**
- 7) A copy of Public Announcement, Detailed Public Statement, Letter of Offer (including Form of Acceptance-cum-Acknowledgement) is also available on SEBI's web-site: www.sebi.gov.in
- 8) All correspondence relating to this Offer, if any, should be addressed to the Registrar to the Offer, viz. Skyline Financial Services Private Limited.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>Aryaman Financial Services Limited (CIN.: L74899DL1994PLC059009) 60, Khatau Building, Alkesh Dinesh Modi Marg, Opp. P J Towers (BSE building), Fort, Mumbai – 400 001. Tel: 022 – 6216 6999; Fax: 022 – 2263 0434 Email: info@afsl.co.in; Website: www.afsl.co.in Contact Person: Mr. Deepak Biyani</p>	 <p>Skyline Financial Services Private Limited (CIN.:U74899DL1995PTC071324) D-153A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020 Tel: 011 – 64732681 / 88 Fax: 011 – 26812682 Email: viren@skylinerta.com; or admin@skylinerta.com; Website: www.skylinerta.com Contact Person: Mr. Virender Rana</p>
OFFER OPENS ON: SEPTEMBER 18, 2018	OFFER CLOSES ON: OCTOBER 03, 2018

SCHEDULE OF MAJOR ACTIVITIES

Major Activities	Original Schedule (Date & Day)	Revised Schedule (Date & Day)
Public Announcement	April 24, 2018 (Tuesday)	April 24, 2018 (Tuesday)
Publication of Detail Public Statement	May 02, 2018 (Wednesday)	May 02, 2018 (Wednesday)
Filing of Draft Letter of Offer with SEBI	May 09, 2018 (Wednesday)	May 09, 2018 (Wednesday)
Last Date for a Competitive Bid*	May 23, 2018 (Wednesday)	May 23, 2018 (Wednesday)
Receipt of Comments from SEBI on Draft Letter of Offer	May 30, 2018 (Wednesday)	August 30, 2018 (Thursday)
Identified Date**	June 01, 2018 (Friday)	September 03, 2018 (Monday)
Date by which Letter of Offer be posted to the Shareholder	June 08, 2018 (Friday)	September 10, 2018 (Monday)
Last Day of Revision of Offer Price / Share	June 12, 2018 (Tuesday)	September 12, 2018 (Wednesday)
Comments on the Offer by a Committee of Independent Directors constituted by the BODs of the Target Company	June 13, 2018 (Wednesday)	September 14, 2018 (Friday)
Issue of advertisement announcing the schedule of activities for Open Offer, status of statutory and other approvals in newspapers	June 14, 2018 (Thursday)	September 17, 2018 (Monday)
Date of Opening of the Offer	June 15, 2018 (Friday)	September 18, 2018 (Tuesday)
Date of Closing of the Offer	June 28, 2018 (Thursday)	October 03, 2018 (Wednesday)
Date of communicating the rejection / acceptance and payment of consideration for the acquired share	July 12, 2018 (Thursday)	October 16, 2018 (Tuesday)

*There has been no competing offer in this Offer.

** Identified Date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent. All owner (registered or unregistered) of Equity Shares of the Target Company (except Acquirers, persons deemed to be acting in concert with Acquirers and Seller of the Target Company) are eligible to participate in the offer any time before the closure of the Offer.

RISK FACTORS

Given below are the risks related to the transaction, proposed Offer and those associated with the Acquirers:

1) Relating to transaction

- a) Pursuant to the acquisition of Sale Shares, the Acquirers (i) will appoint its directors on the Board of Directors of the Target Company; (ii) shall acquire control of the Target Company and (iii) the Sellers will resign from the Board of Directors of the Target Company, which will result in a change in ownership, control and management of the Target Company, which may have a significant effect on the business, financial condition and the results of operations of the Target Company.
- b) In accordance with the SPA, the acquisition of the Sale Shares shall be completed upon the fulfillment of conditions agreed between the Acquirers and the Sellers. In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, if the conditions as stated in paragraph 7.4 of this Letter of Offer are not complied with, for the reasons beyond the reasonable control of the Acquirers, the Open Offer would stand withdrawn.

2) Relating to the Offer

- a) To the best of the knowledge of the Acquirers, no statutory approvals apart from those mentioned in paragraph 7.4 of this Letter of Offer, are required by the Acquirers to complete this Offer. However, in case any other statutory approvals are required by the Acquirers at a later date, this Offer shall be subject to such approvals. While the Acquirers shall make the necessary applications for such approvals, in case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such

approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the Public Shareholders for delay beyond 10 (Ten) Working Days from the date of closure of the Tendering Period, at such rate as may be specified by SEBI. Accordingly, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Shares are validly accepted in this Offer, as well as the return of Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Public Shareholders, the Acquirers will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirers will also have the right, under Regulation 23(1) of the SEBI (SAST) Regulations to withdraw this Offer in the event any statutory approval or other conditions precedent as mentioned in paragraph 7.4 below, as may be required, are not granted or satisfied.

- b) In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- c) Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the tendering period even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held in trust by the Registrar to the Offer / Custodian to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed. During such period, there may be fluctuations in the market price of the Equity Shares and the Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer /Custodian to the Offer, thereby restricting the ability of such Public Shareholders to take advantage of any favorable price movements.
- d) The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.

3) Relating to Acquirers

- a) The Acquirers makes no assurance with respect to the financial performance of the Target Company and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
- b) The Acquirers makes no assurance with respect to its investment decisions relating to its proposed shareholding in the Target Company.
- c) The Acquirers does not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
- d) The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement (PA) / Detailed Public Statement (DPS) / Letter of Offer (LoF) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk.
- e) The Acquirers does not accept the responsibility with respect to the information contained in PA or DPS or LoF that pertains to the Target Company and has been compiled from publicly available resources.

The risk factors set forth above, pertain to the Offer and are not in relation to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer and related sale and transfer of Equity Shares of the Target Company to the Acquirers.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to “Rs.” are to the reference of Indian National Rupees (“INR”). Throughout this Letter of Offer, all figures have been expressed in “Lakhs” unless otherwise specifically stated. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

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1. ABBREVIATIONS / DEFINITIONS

The following abbreviations / definitions apply throughout this document, unless the context requires otherwise:

Term / Abbreviation	Description
Acquirer No. 1	M/s. Ram Gopal Goyal & Sons LLP (RGGSLLP)
Acquirer No. 2	Mr. Vikram Goyal
Acquirer No. 3	Mr. Rajan Goyal
Board / Board of Directors	The Board of Directors of the Target Company.
BSE	BSE Limited, Mumbai
Buying Broker	Stock broker appointed by Acquirers for the purpose of this Open Offer i.e. Dilip C. Bagri
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956 / The Companies Act, 2013, as amended and as applicable
DP	Depository Participant
DPS / Detailed Public Statement	Detailed Public Statement which appeared in the newspaper on May 02, 2018 issued by the Manager to the Offer, on behalf of the Acquirers.
Eligible Persons to participate in the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company (except Acquirers, persons deemed to be acting in concert with Acquirers and existing Promoters / Promoter Group of the Target Company) are eligible to participate in the Offer any time before the closure of the Offer.
FEMA	Foreign Exchange Management Act, 1999 including rules and regulations formulated there under.
FII	Foreign Institutional Investors
Form of Acceptance	The form of application cum acknowledgement and authority, which is enclosed with this Letter of Offer
Identified Date	September 03, 2018 (Monday)
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
LoF / Letter of Offer	This Letter of Offer
Manager / Manager to the Offer / AFSL	Aryaman Financial Services Limited, Mumbai
MICR	Magnetic Ink Character Recognition
NBFC	Non-Banking Financial Company
NECS	National Electronic Clearing Service

NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NRI(s)	Non – Resident Indians
OCB(s)	Overseas Corporate Bodies
Offer	Open Offer for acquisition of 38,32,020 (Thirty Eight Lakhs Thirty Two Thousand and Twenty) Equity Shares of the face value of Rs. 10 each, being constituting 26% of the Equity Share Capital of the Target Company at a price of Rs. 15.30/- (Rupees Fifteen and Thirty Paise Only) per fully paid up Equity Share payable in cash.
Offer Period	Period between the date of entering into an agreement, formal or informal, to acquire shares, voting rights in, or control over a target company requiring a public announcement, or the date of the public announcement, as the case may be, and the date on which the payment of consideration to shareholders who have accepted the open offer is made i.e. April 24, 2018 (Tuesday) to October 16, 2018 (Tuesday) or the date on which open offer is withdrawn, as the case may be.
Offer Price	Rs. 15.30/- (Rupees Fifteen and Thirty Paise Only) per share for each fully paid-up equity Shares payable in cash.
PA / Public Announcement	Public Announcement of the Offer submitted to BSE, SEBI and Target Company on April 24, 2018.
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Skyline Financial Services Private Limited, an entity registered with SEBI under the SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended or modified from time to time.
Rs. / INR	Indian Rupees, the legal currency of India
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (LODR) Regulations, 2015 / LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof.
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendments thereof.
SEBI (SAST) Regulations, 2011 / Regulations / Reg.	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 2011 and subsequent amendments thereof.
Sellers	Mrs. Savitri Mittal, Mrs. Sunil Kumar, Mr. Vishnu Mittal Mr. Deep Chand Singhal & Mrs. Chetna Singhal.
Selling Member / Broker	Respective stock brokers of all Shareholders who desire to tender their Shares under the Open Offer
Share (s)	Fully paid up equity Share of Sonal Mercantile Limited, having face value of Rs. 10/- each.
Shareholders	Shareholders of Sonal Mercantile Limited
Target Company / SML	Sonal Mercantile Limited, New Delhi
Tendering Period	Period within which Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer i.e. the period between and including September 18, 2018 (Tuesday) to October 03, 2018 (Wednesday) .

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF 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 SONAL MERCANTILE LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PACs OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ARYAMAN FINANCIAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 08, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1 BACKGROUND OF THE OFFER

- 3.1.1 This Open Offer is being made by the Acquirers in compliance with Regulations 3(1) & 4 and other applicable provisions of SEBI (SAST) Regulations, 2011 as amended. The Acquirers doesn't hold any Equity Shares of the Target Company as on date.
- 3.1.2 On April 24, 2018 the Acquirers entered a Share Purchase Agreement with the Sellers ('SPA'), pursuant to which the Acquirers have agreed to acquire 6,44,945 equity shares ("**Sale Shares**") constituting 4.38% of the equity share capital of the Target Company. The Acquirers have agreed to purchase the Sale Shares at a negotiated price of Rs. 15/- (Rupees Fifteen Only) per equity share aggregating to Rs. 96,74,175/- (Rupees Ninety Six Lakhs Seventy Four Thousand One Hundred & Seventy Five Only), payable in cash.

Sr. No.	Name of Sellers	Part of Promoter Group (Yes / No)	Details of shares held by the Sellers			
			Pre Transaction		Post Transaction	
			Number of Equity Shares	% of Equity Share Capital of the Target Company	Number of Equity Shares	% of Equity Share Capital of the Target Company
1	Mrs. Savitri Mittal	Yes	3,43,750	2.33%	Nil	Nil
2	Mr. Sunil Kumar	Yes	1,80,360	1.22%	Nil	Nil
3	Mr. Vishnu Mittal	Yes	50,000	0.34%	Nil	Nil
4	Mr. Deep Chand Singhal	Yes	37,500	0.25%	Nil	Nil
5	Mrs. Chetna Singhal	Yes	33,335	0.23%	Nil	Nil
Total			6,44,945	4.38%	Nil	Nil

3.1.3 Salient features of SPA are as follows:

- The purchase price for the Sale Shares is Rs. 15/- (Rupees Fifteen Only) per fully paid up Equity Shares of the Target Company which is negotiated price between Acquirers and the Sellers. The total consideration for the Sale Shares is Rs. 96,74,175/- (Rupees Ninety Six Lakhs Seventy Four Thousand One Hundred & Seventy Five Only).
- On expiry of fifteen working days from the date of the Post Offer Public Announcement under SEBI (SAST) Regulations, 2011 and thereafter, the acquisition of said shares will be completed and the shares would be transferred into the name of the Acquirers and control over the Target Company would pass to the Acquirers in a manner as permissible by law.
- At the time of execution of this agreement, the Acquirers shall deposit with the Sellers an amount equal to 10% of the negotiated amount as interest-free earnest money or deposit, which would be finally adjusted against the purchase consideration.

3.1.4 It is proposed to take Management Control of the Target Company through the SPA. Post Open Offer, assuming full acceptance in the Offer and acquisition of shares under SPA, the shareholding of the Acquirers will be 44,76,965 Equity Shares constituting 30.38% of the Equity Share Capital of the Target Company.

3.1.5 The consideration for the shares accepted under the Open Offer payable to the respective shareholders shall be paid in cash.

3.1.6 The Acquirers has not entered into any non-compete arrangement and/or agreement with anyone with respect to the operation of the Target Company.

3.1.7 There are no other 'Persons Acting in Concert' within the meaning of Regulation 2(1)(q)(1) of the Regulations in relation to this Open Offer.

3.1.8 The Acquirers, the Target Company, the Sellers have not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.

3.1.9 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations 2011, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published. A copy whereof shall be sent to SEBI, BSE and Manager to the Offer and in case of a competing offers to the Managers to the Open Offer for every competing offer.

3.2 DETAILS OF THE PROPOSED OFFER

3.2.1 In accordance with the Regulation 14(3) and pursuant to Regulations 3(1) & 4 of SEBI (SAST) Regulation, the Acquirers have made a Detailed Public Statement on May 02, 2018 pursuant to Public Announcement dated April 24, 2018 in the following newspapers:

The Business Standard (National English Daily)	All Editions
The Business Standard (National Hindi Daily)	All Editions
Mumbai Lakshadeep (Regional Language Daily)	Mumbai Edition

A Copy of the Public Announcement, Detailed Public Statement & Letter of Offer is also available on the SEBI's website: www.sebi.gov.in

3.2.2 The Acquirers hereby makes this Offer to the existing shareholders (other than the parties to the SPA) to acquire up to 38,32,020 (Thirty Eight Lakhs Thirty Two Thousand and Twenty) equity shares of face value of Rs.10/- (Rupees Ten Only) constituting 26.00% of the equity share capital of the Target Company on the 10th (Tenth) working day from the closure of the Tendering Period ("**Offer Size**") at a price of Rs. 15.30/- (Rupees Fifteen and Thirty Paise Only) per equity share payable in cash, subject to the terms and conditions set out in the Public Announcement, the Detailed Public Statement and this Letter of Offer, that will be sent to the shareholders of the Target Company.

- 3.2.3 This Open Offer is made under SEBI (SAST) Regulations, 2011 to all the shareholders of the Target Company, in term of the Regulation 7(6) of the Regulations, other than the Acquirers, persons deemed to be acting in concert with Acquirers and the Sellers of the Target Company.
- 3.2.4 As on date of this Letter of Offer, all the equity shares of the Target Company are fully paid up and there are no partly paid up equity shares in the Target Company. There are no outstanding convertible instruments (debentures/warrants/FCDs/PCDs) etc. into equity shares on any later date.
- 3.2.5 This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company. Further there is no competitive bid in this Offer.
- 3.2.6 This Open Offer is not a conditional offer and not subject to any minimum level of acceptance. The Acquirers will acquire all the Equity Shares of the Target Company that are validly tendered as per terms of the Offer to 38,32,020 (Thirty Eight Lakhs Thirty Two Thousand and Twenty) Equity Shares constituting 26% of the Equity Share Capital of the Target Company.
- 3.2.7 The Acquirers have not acquired any shares of Target Company after the date of P.A. i.e. April 24, 2018 and up to the date of this Letter of Offer.
- 3.2.8 The entire Equity Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other persons / entities propose to participate in the acquisition.
- 3.2.9 There are no 'Persons Acting in Concert' within the meaning of Regulation 2(1)(q)(1) of the Regulations in relation to this Open Offer.
- 3.2.10 The equity shares of the Target Company are listed on the BSE. As per Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Rule 19A of the Securities Contract (Regulation) Rules, 1957 ("SCRR"), the Target Company is required to maintain at least 25% public shareholding (i.e. shares of the Target Company held by the public as determined in accordance with the SCRR), on a continuous basis for listing. Pursuant to the SPA and Open Offer (assuming full acceptance) the Acquirers will acquire maximum 44,76,965 Equity Shares constituting 30.38% of the Equity Share Capital of the Target Company. Thus, the public shareholding in the Target Company will not fall below 25% consequent to this Open Offer and it will be in compliance of Regulation 38 of SEBI (LODR) Regulations, 2015.
- 3.2.11 The Manager to the Offer, Aryaman Financial Services Limited does not hold any Equity Shares in the Target Company as on the date of the Public Announcement, Detailed Public Statement and this Letter of Offer. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

3.3 OBJECT OF THE ACQUISITION / THE OFFER

- 3.3.1 Pursuant to the SPA, this Open Offer is being made by the Acquirers in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, wherein it is proposed to take Management Control of the Target Company.
- 3.3.2 At present, the Acquirers does not have any plans to make major change to the existing line of business of the Target Company except in the ordinary course of business. The Acquirers would support the existing business of the Target Company.
- 3.3.3 The Acquirers do not have any plans to alienate any significant assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through special resolution passed by way of postal ballot in terms of Regulation 25(2) of the SEBI (SAST) Regulations.

4. BACKGROUND OF THE ACQUIRERS

4.1 M/S. RAM GOPAL GOYAL & SONS LLP ("RGGSLLP") – ACQUIRER NO. 1

4.1.1 M/s. Ram Gopal Goyal & Sons LLP (RGGSLLP) is a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008 by the Registrar of Companies, New Delhi on July 03, 2017 at New Delhi. The LLPIN of LLP is AAJ – 8661. At present the registered office of the LLP is situated at A – 7/2, Shivaji Apartment, Sector – 14, Rohini, New Delhi – 110 085.

4.1.2 The main object of RGGSLLP is to carry on the business of engineering consultancy including engineering consultancy in infrastructure, project, design solution, etc & to provide financial, engineering & project consultancy services to foreign and Indian buyers, sellers, exporters, importers, manufacturers, traders, enterprises in all the fields and trades. The LLP combines the right people, skills, and technologies to help deliver superior systems.

4.1.3 The details of Designated Partners of RGGSLLP is as follows:

Sr. No.	Name of the Partners	Residential Address	Date of Appointment	DPIN
1	Ram Gopal Goyal	A – 7/2, Shivaji Apartment, Sector – 14, Rohini, New Delhi – 110 085	03-July-2017	00980997
2	Vikram Goyal		03-July-2017	00381115
3	Rajan Goyal		03-July-2017	02600825
4	Raman Goyal		03-July-2017	00981026

4.1.4 The RGGSLLP does not belong to any Group as such.

4.1.5 As of the date of this LoF, RGGSLLP has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended from time to time ("SEBI Act").

4.1.6 As on March 31, 2018, the capital contribution in the RGGSLLP is given as under:

Sr. No.	Name of the Partners	Capital Contribution	In %
1	Ram Gopal Goyal	Rs. 37.50 Lakhs	25.00%
2	Vikram Goyal	Rs. 37.50 Lakhs	25.00%
3	Rajan Goyal	Rs. 37.50 Lakhs	25.00%
4	Raman Goyal	Rs. 37.50 Lakhs	25.00%
	Total	Rs. 150.00 Lakhs	100.00%

4.1.7 The brief audited financials of RGGSLLP is given as under:

(Rs. in Lakhs)

Profit & Loss Account as on	For the period from July 03, 2017 to March 31, 2018
Income from Operations	-
Other Income	1.20
Total Income	1.20
Total Expenditure	0.50
PBDIT	0.70
Depreciation	-
Interest & Finance Cost	0.45
Profit/(Loss) Before Tax	0.25
Provision for Tax	-
Profit/(Loss) After Tax	0.25

Balance Sheet as on	March 31, 2018
Sources of Funds	
Partner's Capital	150.00
Reserves and Surplus (Excluding Revaluation Reserve & Preliminary Expenses not written off)	-
Net worth	150.00
Non Current Liabilities	9.50

Current Liabilities	0.31
Total	159.81
Uses of Funds	
Net Fixed Assets	-
Investments	150.06
Other Non Current Assets	-
Debtors / Trade Receivable	0.68
Other Current Assets	2.24
Cash & Bank Balance	6.83
Total	159.81

The above financials are based on audited financial statement, as certified by Mr. Aishvarya Bansal (Membership No. 531009), partner of NBA & Co. (Firm Registration No. 009267N), Chartered Accountants, having its office at B-22, Oriental Apartments, DC Chowk, Sector 9, Rohini, New Delhi – 110 085; Tel.: +91 – 11 – 4750 8191 / 92.

- 4.1.8 As on March 31, 2018, there are no contingent liabilities.
- 4.1.9 As per declaration received from the Acquirer, no litigations are pending against the Acquirer as on date of the Public Announcement.
- 4.1.10 RGGSLLP being Limited Liability Partnership ("LLP") is not listed at any of the stock exchanges.
- 4.1.11 As on date of Public Announcement & this Letter of Offer, RGGSLLP does not hold any equity shares of the Target Company and have not acquired any equity shares of the Target Company during preceding 12 (Twelve) months from the date of PA.

4.2 MR. VIKRAM GOYAL – ACQUIRER NO. 2

- 4.2.1 Mr. Vikram Goyal, son of Mr. Ram Gopal Goyal, aged 44 years residing at A – 7/2, Shivaji Apartment, Sector – 14, Rohini, New Delhi – 110 085. He is a Commerce Graduate and has overall experience of more than 20 years in the construction business & financial activities. As on date of the PA, he is not acting as a Whole Time Director in any public limited company and he is not on the Board of any listed company.
- 4.2.2 The Net worth of Mr. Vikram Goyal as on March 25, 2018 is Rs. 15.35 Crores as certified vide certificate dated April 05, 2018 by Mr. Ashok Gupta (Membership No. 087838) partner of Bhudladia & Co. (Firm Registration No. 02511N) Chartered Accountants, having its office at 12/10, East Patel Nagar, New Delhi – 110 008.

4.3 MR. RAJAN GOYAL – ACQUIRER NO. 3

- 4.3.1 Mr. Rajan Goyal, son of Mr. Ram Gopal Goyal, aged 42 years residing at A – 7/2, Shivaji Apartment, Sector – 14, Rohini, New Delhi – 110 085. He is a Commerce Graduate and has overall experience of around 20 years in the construction business & financial activities. As on date of the PA, he is not acting as a Whole Time Director in any public limited company and he is not on the Board of any listed company.
- 4.3.2 The Net worth of Mr. Rajan Goyal as on March 25, 2018 is Rs. 20.61 Crores as certified vide certificate dated April 05, 2018 by Mr. Ashok Gupta (Membership No. 087838) partner of Bhudladia & Co. (Firm Registration No. 02511N) Chartered Accountants, having its office at 12/10, East Patel Nagar, New Delhi – 110 008.

4.4 OTHER DETAILS OF THE ACQUIRERS:

- All the Acquirers are related to each other. All the Designated Partners of RGGSLLP are related to each others as family members. Mr. Ram Gopal Goyal is the father of other three Designated Partners.
- The Acquirers does not belong to any Group as such.
- As on the date of this letter of offer, the Acquirers does not hold any Equity Shares of the Target Company. Hence, the provisions of Chapter V of the SEBI (SAST) Regulations, 2011 are not applicable to them.
- The entire equity shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other persons / entities propose to participate in the acquisition.
- The Acquirers undertakes that they will not sell the Equity Shares of the Target Company during the "Offer Period" in terms of Regulation 25(4) of the Regulations.

- There is no agreement among the Acquirers and any other persons/entities, in connection with the break-up of shares to be accepted from the shares tendered in this Offer.
- There are no other 'Persons Acting in Concert' within the meaning of Regulation 2(1)(q)(1) of the Regulations in relation to this Open Offer.
- None of the Acquirers is a wilful defaulter. Further none of the Acquirers have been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI.

5. BACKGROUND OF THE TARGET COMPANY (SONAL MERCANTILE LIMITED)

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- 5.1 The Target Company was incorporated as Sonal Mercantile Limited on November 04, 1985 under the Companies Act 1956, bearing Registration No. 022433 having its Registered Office in Delhi. The registered office of the Target Company is situated at 372, Vardhman Plaza, III Floor, Sector – 3, Rohini, New Delhi – 110 085. There has been no change in the name of the Target Company during the three years prior to the date of this detailed public statement. The CIN of the Target Company is L51221DL1985PLC022433.
- 5.2 The Target Company is registered with the Reserve Bank of India ("RBI") under Section 45-IA of the Reserve Bank of India Act, 1934, as a Non Banking Financial institution without accepting public deposits by a certificate of registration No. B-14.02393 dated July 19, 2002. It is a Non Deposit taking Non-systemically Important Non Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing / trading in securities.
- 5.3 **Share Capital Structure of the Target Company**
The authorized share capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 Equity Shares of Rs.10/- each. As on date, the issued, subscribed and paid-up capital of the Target Company is Rs. 14,73,85,250/- (Rupees Fourteen Crores Seventy Three Lakhs Eighty Five Thousand Two Hundred & Fifty Only) divided into 1,47,38,525 Equity Shares of Rs. 10/- each. The entire issued, subscribed, paid up and voting equity capital of the Target Company is listed at BSE Limited.
- 5.4 As on date of this LoF, there are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures, etc. convertible into equity shares on any later date. There are no partly paid up shares in the Target Company.
- 5.5 The shares of the Target Company are presently listed on the BSE Limited ("BSE"). The shares of the Target Company are not suspended for trading from the Stock Exchange. No punitive action has been taken against the Target Company by the Stock Exchange.
- 5.6 Based on the information available on BSE, the equity shares of the Target Company are infrequently traded on BSE (within the meaning of definition of "frequently traded shares" under Regulation 2(1)(j) of the Regulations).
- 5.7 **Details of Directors of Sonal Mercantile Limited.**

As on the date of this Letter of Offer, the Board of Directors of the Target Company comprises of 5 (Five) members as given below:

Sr. No.	Name of Directors	DIN	Designation	Date of Appointment
1	Mr. Sunil Kumar	00243057	Whole Time Director	10-Dec-2009
2	Mr. Deep Chand Singhal	00815681	Non Executive Director	03-Dec-2009
3	Mr. Vikram Sharma	00243482	Chairman & Independent Director	10-Dec-2009
4	Mr. Naresh Poddar	00381066	Independent Director	30-May-2018
5	Ms. Anu Aggarwal	06911743	Independent Director	13-Aug-2018

Note:

- As on date of the Public Announcement and this Letter of Offer, none of the Directors of the Target Company represents the Acquirers.
- Ms. Rukhsana, who was on the Board of the Target Company, had resigned from the Board w.e.f June 01, 2018.

5.8 There has not been any merger / demerger or spin-off in the Target Company during the past 3 (three) years.

5.9 The key financial information of the Target Company based on the audited financial statements for the financial year ended March 31, 2018, 2017, 2016 and 2015 and based on the limited review financial statement for the period of nine months ended December 31, 2017 are as follows:

(Rs. In Lakhs)

Profit & Loss Account as on	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-16	31-Mar-15
Income from Operations	278.91	184.71	258.18	232.18	232.74
Other Income	0.66	0.69	0.87	1.09	-
Total Income	279.57	185.40	259.05	233.28	232.74
Total Expenditure	257.95	149.88	244.27	217.17	219.09
Profit Before Depreciation Interest and Tax	21.62	35.52	14.78	16.11	13.66
Depreciation	2.14	1.61	3.17	4.73	7.08
Finance Cost	0.05	-	0.04	0.24	0.99
Profit/(Loss) Before Tax	19.43	33.91	11.57	11.14	5.58
Provision for Tax	5.48	8.73	4.25	5.02	2.49
Profit/(Loss) After Tax	13.95	25.18	7.32	6.11	3.10

Balance Sheet as on	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-16	31-Mar-15
Sources of Funds					
Paid up Shares Capital	1,473.85	1,473.85	1,473.85	1,473.85	1,473.85
Reserves and Surplus (Excluding Revaluation Reserve)	762.61	774.08	748.90	740.25	735.45
Net Worth	2,236.46	2,247.93	2,222.75	2,214.10	2,209.30
Non Current Liabilities	5.50	5.27	5.27	6.59	5.28
Current Liabilities	0.51	46.71	37.91	30.48	10.44
Total	2,242.47	2,299.91	2,265.93	2,251.18	2,225.02
Uses of Funds					
Net Fixed Assets	4.50	5.03	6.64	9.81	14.54
Other Non Current Assets	2.18	2.66	2.66	3.72	4.66
Current Investments	2.50	2.50	2.50	-	-
Inventories	-	98.90	108.90	-	20.67
Cash & Cash Equivalents	9.59	4.81	37.29	17.37	41.70
Loan and Advances	2,223.29	2,185.45	2,107.47	2,219.79	2,111.88
Other Current Assets	0.41	0.56	0.46	0.49	31.59
Total	2,242.47	2,299.91	2,265.93	2,251.18	2,225.02

Other Financial Data	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-16	31-Mar-15
Dividend (%)	-	-	-	-	-
Earnings Per Share (Rs.)	0.09	0.17	0.05	0.04	0.02
Return on Net worth (%)	0.62%	1.12%	0.33%	0.28%	0.14%
Book Value Per Share (Rs.)	15.17	15.25	15.08	15.02	14.99

5.10 Pre and Post Offer Shareholding Pattern of the Target Company is as follows:

Shareholders' Category	Shares / voting rights prior to the agreement / acquisition and the Offer		Shares / voting rights agreed to be acquired through SPA		Shares / voting rights to be acquired in open offer (assuming full acceptances)		Shareholding / voting rights after the acquisition and offer	
	(A)		(B)		(C)		(A) + (B) + (C) + (D)	
	No	%	No	%	No	%	No	%
(1) Promoters Group								
a) Parties to Agreement, if any	6,44,945	4.38%	(6,44,945)	(4.38)%	-	-	-	-
b) Other than (a) above	-	-	-	-	-	-	-	-
Sub Total	6,44,945	4.38%	(6,44,945)	(4.38)%	-	-	-	-
(2) Acquirers								
RGGSELLP	-	-	6,44,945	4.38%				
Vikram Goyal	-	-	-	-	38,32,020	26.00%	44,76,965	30.38%
Rajan Goyal	-	-	-	-				
Total	-	-	6,44,945	4.38%	38,32,020	26.00%	44,76,965	30.38%
(3) Parties to agreement other than (1) & (2) above	-	-	-	-	-	-	-	-
(4) Public Shareholders (i.e. other than mentioned above)								
a) FIs / MFs / FIIIs / Banks	-	-	-	-				
b) Others	-	-	-	-				
Private & Corporate Bodies	80,83,526	54.85%	-	-	(38,32,020)	(26.00%)	1,02,61,560	69.62%
Hindu Undivided Family	9,36,517	6.35%	-	-				
Individuals	50,73,537	34.42%	-	-				
Total (4)(a+b)	1,40,93,580	95.62%	-	-	(38,32,020)	(26.00%)	1,02,61,560	69.62%
Grand Total (1+2+3+4)	1,47,38,525	100.00%	-	-	-	-	1,47,38,525	100.00%

Notes:

- 1) Pre-Shareholding Pattern is based on June 30, 2018 and total No. of Public Shareholders as June 30, 2018 was 566 (Five Hundred and Sixty Six).
- 2) All percentages are calculated on the Total Equity Paid up Shares Capital of the Target Company, as on 10th working day after closing of tendering period.
- 3) The Acquirers have not entered into any formal agreement with respect to the acquisition of shares through this Open Offer and acting together under an informal understanding.

5.11 **Details of Compliance Officer of the Target Company**

Mrs. Richa Sharma

Sonal Mercantile Limited.,

372, Vardhman Plaza, III Floor, Sector – 3, Rohini, New Delhi – 110 085.

Contact No: 011 – 4909 1417; Email ID: sonalmercantile@yahoo.in

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 The equity shares of the Target Company are listed on BSE Limited ("BSE"), having a Scrip ID of "SONAL" & Scrip Code of 538943 and is currently underlying in Group / Index "XT" with GSM Stage 1.

6.1.2 The annualized trading turnover in the equity shares of the Target Company on BSE based on trading volume during the 12 (twelve) calendar months prior to the month of Public Announcement (April 01, 2017 to March 31, 2018) is as given below:

Name of the Stock Exchange	Total number of Equity Shares traded during the 12 (Twelve) calendar months prior to the month of PA	Total Number of Listed Shares	Annualized Trading Turnover (in terms of % to Total Listed Shares)
BSE	99,934	1,47,38,525	0.68%

(Source: www.bseindia.com)

6.1.3 Based on the information available on the website of BSE, the equity shares of the Target Company are infrequently traded on the BSE (within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations. Hence, the Offer Price of Rs. 15.30/- (Rupees Fifteen and Thirty Paise Only) per fully paid up Equity Share has been determined and justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following:

(a)	Highest Negotiated Price per equity share for any acquisition under the Share Purchase Agreement ("SPA")	Rs. 15.00/-	
(b)	The volume-weighted average price paid or payable for acquisition during the 52 (Fifty Two) weeks immediately preceding the date of PA	Nil	
(c)	The highest price paid or payable for any acquisition during 26 (Twenty Six) weeks period immediately preceding the date of PA	Nil	
(d)	In case of frequently traded shares, the volume-weighted average market price for a period of 60 trading days immediately preceding the date of PA on BSE (As the maximum volume of trading in the shares of the target company is recorded on BSE during such period)	Not Applicable	
(e)	The price determined by 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.	31-Mar-17	31-Dec-17
1.	Book Value per Equity Share (Rs)	Rs. 15.08/-	Rs. 15.25/-
2.	Earnings Per Equity Share (Rs)	Rs. 0.05/-	Rs. 0.17/-*
3.	Return on Networth (In %)	0.33%	1.12%*
4.	The average industry P/E for the sector in which Target Company Operates. (Source: <i>Capital Market, Volume XXXIII/04, Apr 09 - 22, 2018</i>)	41.70	

* Not Annualized

In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 15.30/- (Rupees Fifteen and Thirty Paise Only) per fully paid up Equity Share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

6.1.4 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

6.1.5 As on date, there is no revision in open offer price or open offer size. In case of any revision in the open offer price or open offer size, the Acquirers shall (i) make corresponding increases to the escrow amounts; (ii) make a public announcement in the same newspapers in which DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, Stock

Exchanges and the Target Company at its registered office of such revision. The revised Offer Price would be paid to all the Public Shareholders whose Equity Shares are accepted under the Open Offer.

- 6.1.6 If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to 3 (Three) working days before the date of commencement of the tendering period and would be notified to the shareholders.
- 6.1.7 If the Acquirers acquires Equity Shares during the period of twenty six weeks after the closure of tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose Equity Shares have been accepted in this Open Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of Equity Shares in any form.

6.2 FINANCIAL ARRANGEMENT

- 6.2.1 The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of 38,32,020 Equity Shares of Rs. 10/- each from the public shareholders of the Target Company at a Offer Price of Rs. 15.30/- (Rupees Fifteen and Thirty Paise Only) per Equity Share is Rs. 5,86,29,906/- (Rupees Five Crores Eighty Six Lakhs Twenty Nine Thousand Nine Hundred and Six Only) (the "**Offer Consideration**").
- 6.2.2 The Acquirers have adequate resources and have made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition will be financed through internal resources and no funds are borrowed from banks or financial institution for the purpose of this Open Offer. Mr. Ashok Gupta (Membership No. 087838) partner of Bhudladia & Co. (Firm Registration No. 02511N) Chartered Accountants, having its office at 12/10, East Patel Nagar, New Delhi – 110 008; Tel.: +91 – 11 – 2581 8656 / +91 – 11 – 2586 3818 vide certificate dated April 24, 2018 have confirmed that sufficient resources are available with the Acquirers for fulfilling the obligations under this Open Offer in full.
- 6.2.3 In terms of Reg. 17(1) of the Regulations, the Acquirers have to create an escrow for an amount equal to 25% of the "**Offer Consideration**" i.e. for Rs. 1,46,57,480 /- (Rupees One Crore Forty Six Lakhs Fifty Seven Thousand Four Hundred and Eighty Only).
- 6.2.4 In term of Reg. 17(3) of the Regulations, the Acquirers have provided the Bank Guarantees in favour of Manager to the Offer for Rs. 150.00 Lakhs (valid up to November 16, 2018) issued by Union Bank of India, D – 2 Panchwati Commercial Centre, Azadpur, New Delhi – 110 033. The Acquirers undertakes that in case the Offer process is not completed within the validity of Bank Guarantee, then the Bank Guarantee will be further extended at least upto 30th day from the date of completion of payment of Offer Consideration.
- 6.2.5 In terms of Reg. 17(4) of the Regulations, the Acquirers, the Manager to the Offer and Union Bank of India, a banking corporation incorporated under the laws of India and having one of its branch offices at D – 2 Panchwati Commercial Centre, Azadpur, New Delhi – 110 033, have entered into an Escrow Agreement for the purpose of the Offer ("Escrow Agreement"). Pursuant to the Escrow Agreement, the Acquirers has deposited Rs. 6,00,000/- (Rupees Six Lakhs Only) in cash in the Escrow Account which is in excess of 1% of the Offer Consideration.
- 6.2.6 The Manager to the Offer has been duly authorised by the Acquirers to realize the value of the Bank Guarantee and Escrow Account in terms of the SEBI (SAST) Regulations, 2011.
- 6.2.7 Based on the above and in the light of the Escrow Arrangement, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to fulfill the Acquirers obligations through verifiable means in relation to the Offer in accordance with the Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

- 7.1.1 This Offer is not conditional upon any minimum level of acceptance i.e it is not a conditional offer.
- 7.1.2 The Offer is subject to the terms and conditions set out in this Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.3 The Letter of Offer together with the Form of Acceptance and transfer deed (for Shareholders holding Equity Shares in the physical form) is being dispatched / mailed to those Shareholders of the Target Company whose names appear on the Register of Members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Identified Date i.e. September 03, 2018. Owners of Equity Shares who are not registered as Shareholder(s) are also eligible to participate in the Offer at any time prior to the Date of Closure of the Offer.
- 7.1.4 Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.5 The eligible persons can write to the Registrar / Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the Date of Closure of the Offer i.e. October 03, 2018. Alternatively, the Letter of Offer along with the Form of Acceptance cum acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the website.
- 7.1.6 This Offer is subject to the receipt of any statutory and other approvals as mentioned under paragraph 7.4 of this Letter of Offer. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 7.1.7 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 7.1.8 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 7.1.9 The Acquirers will not be responsible in any manner for any loss of equity Share certificate(s) and Offer acceptance documents during transit. The equity shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

7.2 LOCKED IN SHARES

Locked-in shares shall be accepted subject to the continuation of the residual lock -in period in the hands of the Acquirers. There shall be no discrimination in the acceptance of locked-in and not locked-in shares. However as on the date of the Public Announcement, there are no locked in shares in the Target Company.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

All the Equity Shareholders registered or unregistered, (except Acquirers, persons deemed to be acting in concert with Acquirers and existing Promoters / Promoter Group of the Target Company) who own fully paid equity shares of the Target Company anytime before the closure of the Open Offer are eligible to participate in the Open Offer. However, the Letter of Offer is being dispatched / mailed to those Shareholders whose names appear on the Register of Members of the Target Company at the close of business hours on the Identified Date i.e. September 03, 2018.

7.4 STATUTORY AND OTHER APPROVALS

- 7.4.1 The acquisition of Sale Shares and Offer Shares are subject to prior approval from RBI in terms of RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 for transfer of management and control of Non- Banking Finance Company. The RBI vide its letter dated August 27, 2018 has conveyed its prior approval to the proposed change in control.
- 7.4.2 As on the date of this Letter of Offer, no approval will be required from any bank / financial institutions for the purpose of this Offer, to the best of the knowledge of the Acquirer.
- 7.4.3 As on the date of this Letter of Offer, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Open Offer. If any other statutory approvals are required or become applicable, the Open Offer would be subject to the receipt of such other statutory approvals also. The Acquirers will not proceed with the Open Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011. This Open Offer is subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer. In the event of withdrawal, a public announcement will be made within 2 (Two) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, BSE and the registered office of the Target Company.
- 7.4.4 Shareholders of the Target Company who are either non-resident Indians ("NRIs") or overseas corporate bodies ("OCBs") and wish to tender their equity shareholding in this Open Offer shall be required to submit all the applicable approvals of RBI which have been obtained at the time of acquisition of Equity Shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirers 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 Acquirers from NRIs and OCBs.
- 7.4.5 In case of delay in receipt of any statutory approvals as disclosed above or which may be required by the Acquirers at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer subject to the Acquirers agreeing to pay interest to the Public Shareholders for the delay. Provided where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirers has the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Open Offer.
- 7.4.6 There are no conditions stipulated in the SPA between the Acquirers and the Sellers, the meeting of which would be outside the reasonable control of the Acquirers and in view of which the Offer might be withdrawn under Regulation 23 of the SEBI (SAST) Regulations.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1 The Open Offer will be implemented by the Company through Stock Exchange Mechanism made available by BSE Limited (BSE) in the form of separate window (Acquisition Window) as provided under the SEBI SAST Regulations and SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 read with SEBI Circular number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and notices / guidelines issued by Designated Stock Exchange and the Clearing Corporation in relation to the mechanism / process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers as amended and updated from time to time.
- 8.2 BSE shall be the Designated Stock Exchange for the purpose of tendering Shares in the Open Offer.
- 8.3 The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on the Stock Exchange in the form of a separate window (Acquisition Window).
- 8.4 The Acquirers have appointed Dilip C. Bagri ("Buying Broker") for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the tendering period. The Contact details of the buying broker are as mentioned below:

Name: Dilip C. Bagri

Address: 404, P. J. Tower, Dalal Street, Fort, Mumbai – 400 001.

Contact Person: Anukul Bagri

Tel.: 022 – 2272 2792; **E-mail ID:** dcbagri@gmail.com

- 8.5 All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers ("**Selling Broker**"), during the normal trading hours of the secondary market during tendering period.
- 8.6 A Separate Acquisition window will be provided by the stock exchange to facilitate placing of sell orders. The Selling Members can enter orders for demat Shares as well as physical Shares.
- 8.7 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 BSE/Clearing Corporation, before the opening of the Offer.
- 8.8 Modification/cancellation of Orders will not be allowed during the tendering period of the Open Offer.
- 8.9 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during tendering period.
- 8.10 Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client.
- 8.11 In case any Seller Broker is not registered with the designated stock exchange and therefore the Public Shareholder is unable to tender equity Shares under the Offer, such Public Shareholder may approach the Buying Broker to facilitate tendering of equity Shares under the Offer.

8.12 Procedure for tendering Equity Shares held in Dematerialised Form:

- a) The Equity Shareholders who are holding the Equity Shares in electronic / dematerialized form and who desire to tender their Equity Shares in this Offer shall approach their respective Stock Broker ("**Selling Broker**") indicating details of Shares they wish to tender in the Open Offer.
- b) The Equity Shareholders are required to transfer, through their respective depository participants, the Equity Shares intended to be tendered to the early pay-in account of the Indian Clearing Corporation Limited ("**Clearing Corporation**"). Such Equity Shareholders shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular before their respective Selling Broker places the bids / orders on their behalf and the same shall be validated at the time of order entry.
- c) Shareholders will have to submit Delivery Instruction Slips ("**DIS**") duly filled in specifying market type as 'Open Offer' and execution date along with other details to their respective Stock Broker so that Equity Shares can be tendered in Open Offer.
- d) For Custodian participant order 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 the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- e) Upon placing the bid, the Selling Broker(s) shall provide Transaction Registration Slip ("**TRS**") generated by the Exchange Bidding System to the Shareholders. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No of Shares tendered, etc.
- f) In case of receipt of Equity Shares in the Special Account of the Clearing Corporation and a valid bid in the exchange bidding system, the Open Offer shall be deemed to have been accepted, for demat Shareholders.
- g) The Equity 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 prorata acceptance in the Open Offer.
- h) The Equity Shareholders holding Equity Shares in Demat mode are not required to fill any Form of Acceptance.

8.13 Procedure for tendering Equity Shares held in Physical Form:

- a) The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Member and submit complete set of documents for verification procedure as mentioned below:
- 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 Power of Attorney, corporate authorization (including board resolution/ specimen signature).
- vi. Self attested copy of address proof such as valid Aadhar Card, Voter ID, Passport, etc.
- b) The Seller Member(s) should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Seller Member(s) to print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
- c) After placement of order, as mentioned in above point, the Selling Broker / Equity Shareholder must ensure the delivery of the Form of Acceptance, copy of the TRS, original share certificate(s), valid Securities Transfer Form(s) and other documents (as mentioned in above point either by Registered Post / Speed Post or Courier or Hand Delivery to the Registrar to the Offer (at the address mentioned on the cover page of this Letter of Offer not later than 2 (two) working days from closure of the Tendering Period. The envelope should be superscribed as '**Sonal Mercantile Limited – Open Offer**'. One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- d) Equity Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- e) In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.
- f) The Equity Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance sent along with this Letter of Offer.

8.14 Procedure for tendering the shares in case of non receipt of Letter of Offer:

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, 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.

In case the Equity Shares are in dematerialised form: An Eligible Person may participate in the Offer by approaching their broker / Selling Member and tender Shares in the Open Offer as per the procedure mentioned in point 8.12 above.

In case the Equity Shares are in physical form: An Eligible Person may participate in the Offer by confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, the DPS and in this Letter of Offer. They can participate by submitting an application to the Selling Member on plain paper giving details regarding their shareholding and relevant documents mentioned in paragraph 8.13 of this Letter of Offer. The Selling Member(s) / Investor have to deliver the Physical Share certificate & other relevant documents along with TRS to the Registrar and Transfer Agent ("RTA") by registered post, speed post or courier or hand delivery. Physical Share Certificates & other relevant documents will have to reach RTA within 2 days from the closing of the Open Offer. The envelope should be scribed as "**Sonal Mercantile Limited – Open Offer**".

In case of orders for physical shares, verification of physical certificates shall be done by the RTA on a daily basis and till such time the Recognised Stock Exchanges shall display such quantity as "unconfirmed physical bids". As and when the RTA confirms the records, such bids will then be treated as "confirmed bids." Please note that physical Equity Shares will not be accepted unless the complete set of documents is submitted.

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

8.16 Settlement Process:

- a) On closure of the Offer reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of Shares transferred to the account of Clearing Corporation.
- b) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- c) Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account which will be provided by the Acquirers.
- d) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity 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 Equity Shareholders directly by the Registrar to the Offer. The Target 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 Target Company are less than the Equity Shares tendered in the Open Offer by the Equity Shareholders holding Equity Shares in the physical form.
- e) In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- f) The 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.

8.17 Settlement of Funds / Payment Consideration

- a) The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- b) The funds received from Buyer Broker by the Clearing Corporation will be released to the Shareholder/Selling Broker(s) as per secondary market pay out mechanism.
- c) For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds pay-out to respective Equity Shareholders. If shareholder's 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 Equity Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- d) 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.
- e) 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 Acquirers accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder.

9. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the Shareholders of the Target Company at the Office of Aryaman Financial Services Limited at 60, Khatau Building, Alkesh Dinesh Modi Marg, Opp. P J Towers (BSE building) Fort, Mumbai – 400 001 on Monday to Friday except bank holidays till the Offer Closing date (i.e. October 03, 2018) from 11.00 a.m. to 4.00 p.m.

- Certificate of Incorporation, Memorandum and Articles of Association of Sonal Mercantile Limited.
- Audited Financial Statement of Ram Gopal Goyal & Sons LLP (“Acquirer No. 1”) for the FY 2017-2018.
- Networth certificate issued by Mr. Ashok Gupta (Membership No. 087838) partner of Bhudladia & Co. (Firm Registration No. 02511N), Chartered Accountants; certifying the Networth of the Vikram Goyal (“Acquirer No. 2”) & Rajan Goyal (“Acquirer No. 3”).
- Firm Arrangement certificate issued by Mr. Ashok Gupta (Membership No. 087838) partner of Bhudladia & Co. (Firm Registration No. 02511N), Chartered Accountants, certifying the adequacy of financial resources with the Acquirers to fulfill their part of Open Offer obligations.
- Audited Annual Reports / Accounts of the Target Company for the FY 2014-2015, 2015-2016, 2016-2017, 2017-2018 and Limited Review Financials for the period ended December 31, 2017
- Copy of Bank Guarantees issued by Union Bank of India in favour of the Manager to the Offer for an amount Rs. 150.00 Lakhs (Rupees One Crore Fifty Lakhs Only)
- Certificate issued by Union Bank of India confirming the amount of 6,00,000/- (Rupees Six Lakhs Only) kept in the Escrow Account.
- Copies of the Public Announcement dated April 24, 2018, published copy of the Detailed Public Statement, which appeared in the Newspapers on May 02, 2018.
- Copy of the Share Purchase Agreement dated April 24, 2018.
- A copy of the recommendation dated [●] made by the Committee of Independent Directors (IDC) of the Target Company.
- Memorandum of Understanding between the Acquirers and Aryaman Financial Services Limited (Manager to the Offer).
- Copy of the Memorandum of Understanding the Acquirers and Skyline Financial Services Private Limited (Registrar to the Offer).
- Observation letter bearing reference number SEBI/HO/CFD/DCR1/OW/P/2018/24416 dated August 30, 2018 received from SEBI in terms of Regulation 16(4) of the Regulations.

10. DECLARATION BY THE ACQUIRERS

We have made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue. Further we confirm that the information contained in the Public Announcement, Detailed Public Statement and this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

We, the Acquirers are severally and jointly responsible for the information contained in this Letter of Offer and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereof. The Acquirers would be responsible for ensuring compliance with the concerned Regulations. All information contained in this Letter of Offer is as on date of the Public Announcement, unless stated otherwise.

We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 / the Companies Act, 2013 as amended and applicable and all the provisions of SEBI (SAST) Regulations, 2011 have been complied with and no statements in the Offer document is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 as amended and applicable and SEBI (SAST) Regulations.

Signed by the Acquirers:

Acquirer No. 1

For Ram Gopal Goyal & Sons LLP

Sd/-
Raman Goyal
(Designated Partner)

Acquirer No. 2

Sd/-
Mr. Vikram Goyal

Acquirer No. 3

Sd/-
Mr. Rajan Goyal

Date: September 05, 2018

Place: New Delhi

Enclosures:

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

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOA)

(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

All terms and expressions used herein shall have the same meaning as described thereto in this LOF.

Offer Opens / Tendering Period Starts on: September 18, 2018 (Tuesday)
Offer Closed / Tendering Period Ends on: October 03, 2018 (Wednesday)

FOR OFFICE USE ONLY

Acceptance Number	
Number of Equity Shares Offered	
Number of Equity Shares Accepted	
Purchase Consideration in Rupee	

Shareholder(s) Details:

Name:	
Address:	
Tel. No.:	Fax No.:
Email Address:	Mobile No.:

To

Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area,
Phase – I, New Delhi – 110020

Sub.: Open Offer for the acquisition of 38,32,020 (Thirty Eight Lakhs Thirty Two Thousand and Twenty) Equity Shares of the face value of Rs. 10/- each, being representing 26.00% of the Equity Share Capital of the Sonal Mercantile Limited (“SML”) by Acquirers under SEBI (SAST) Regulations, 2011.

Dear Sir/Madam,

I/We refer to the LOF dated September 05, 2018 for acquiring the Equity Shares held by me/us in the Target Company. I/We, the undersigned, have read the LOF and understood its contents including the terms and conditions as mentioned therein.

For Equity Shares held in Physical Form:

I/We accept the Offer and enclose the original Equity Share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
Total Number of Equity Shares					

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

I/We note and understand that the original Equity Share certificate(s) and valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pay the purchase consideration as mentioned in the LOF.

I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

Enclosures (please provide the following and ✓ whichever is applicable):

- 1) Original Equity Share certificates
- 2) Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
- 3) Form of Acceptance – signed 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;
- 4) Photocopy of Transaction Registration Slip (TRS) & Self attested copy of PAN card of all the transferor(s)
- 5) Self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card, Passport or Driving License
- 6) Any other relevant document (but not limited to) such as Power of Attorney (if any person apart from the Shareholder has signed the FOA), corporate authorization (including board resolution/ specimen signature), notarised copy of death certificate and succession certificate or probated will, if the original shareholder has deceased etc., as applicable. Shareholders of the Target Company holding physical shares should note that Physical Shares will not be accepted unless the complete set of documents are submitted.

For all Shareholders (holding Equity Shares in demat or physical form):

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Open Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter and that I / we have obtained any necessary consents to sell the Equity Shares on the foregoing basis.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Equity Shares for Open Offer and that I/we am/are legally entitled to tender the Equity Shares for Open Offer. I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I/We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certificates, documents and signatures, as applicable submitted along with this FOA. I/We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me/us.

I/We give my/our consent to file form FCTRS, if applicable, on my/our behalf. I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effect the Open Offer in accordance with the SEBI Takeover Regulations.

I / We am/are not debarred from dealing in Equity Shares.

I / We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the Letter of Offer and I / we further authorize the Acquirer to return to me / us in the demat account/ share certificate(s) in respect of which the Open Offer is not found valid / not accepted

without specifying the reasons thereof. I/We further agree to receive a single share certificate for the unaccepted Equity Shares in physical form.

In case of demat shareholders, I / We note and understand that the Equity Shares would be kept in the pool account of my/our broker and the lien will be marked by Clearing Corporation until the Settlement Date whereby the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer. In case of physical shareholders, I / We note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration as mentioned in the Letter of Offer or the date by which Original Share Certificate(s), Transfer Deed(s) and other documents are returned to the shareholders, as the case may be.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

For NRIs/OCBs/ FIIs and sub-accounts/other Non-Resident Shareholders:

I/We confirm that my/our status is (√ whichever is applicable):

Individual	Foreign Company	FIIs / FPI- Corporate	FIIs / FPIs - Others
Foreign Trust	Private Equity Fund	Pension / Provident Fund	Sovereign Wealth Fund
Financial Institution	NRIs / PIOs - Repatriable	NRIs / PIOs - Non-Repatriable	FVCI
QFI	OCBs	Partnership / Proprietorship Firm	
Others (Please Specify):			

I/We confirm that my/our investment status is (√ whichever is applicable):

FDI Route / PIS Route / Any Other (Please Specify):

I/We confirm that the Equity Shares tendered by me/us are held on (√ whichever is applicable):

Repatriable basis / Non-repatriable basis

I/We confirm that (√ whichever is applicable):

- No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the RBI
- Copies of all approvals required by me for holding Equity Shares that have been tendered in this Offer are enclosed herewith Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

I/We confirm that (√ whichever is applicable):

- No RBI, FIPB or other regulatory approval is required by me for tendering the Equity Shares in this Offer.
- Copies of all approvals required by me for tendering Equity Shares in this Offer are enclosed herewith.

In case of shareholders holding Equity Shares in demat form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the Depositories.

In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act.

Yours faithfully,

DETAILS	FULL NAME (S)	PAN NO.	SIGNATURE (S)
First / Sole Shareholder			
Second Shareholder			
Third Shareholder			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the rubber stamp should be affixed and necessary board resolution must be attached.

Place: _____

Date: _____

FORM NO. SH-4 SECURITIES TRANSFER FORM

[Pursuant to section 56 of the Companies act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of Execution (DD-MM-YYYY): _____

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do here by agree to accept and hold the said securities subject to the conditions aforesaid.

Name of the Company	Sonal Mercantile Limited
CIN of the Company	L51221DL1985PLC022433
Name of the Stock Exchange where the Company is Listed, if any	BSE Ltd

Description of Securities:			
Kind / Class of Securities	Nominal Value of each unit of Security	Amount called up per unit of Security	Amount paid up per unit of Security
No. of Securities being Transferred		Consideration Received (Rs.)	
In Figures	In Words	In Figures	In Words

Distinctive Number	From				
	To				
Corresponding Certificate No.					

Transferor's Particulars:		
Registered Folio Number		<p style="text-align: center;">Attestation:</p> <p>I hereby attest the signature of the Transferor(s) herein mentioned.</p> <p>Signature: _____</p> <p>Full Name: _____</p> <p>Address: _____</p> <p>Seal: _____</p>
Full Name of the Seller	Seller's Signature	
1)		
2)		
3)		
I, hereby confirm that the Transferor has signed before me.	Name and Address of Witness	
Signature of Witness		

Transferee Particulars:	(1)	(2)	(3)
Full Name			
Father / Spouse Name			
Address			
Contact No.			
E-mail			
Occupation			
Existing Folio Number			
PAN			
Signature			

Folio No. of Transferee: _____

Specimen Signature of Transferee: _____

Value of Stamp affixed: Rs. _____

Enclosures:

- 1) Certificate of Equity Shares or debentures or other securities
- 2) If no certificate is issued, letter of allotment.
- 3) Copy of PAN Card of all the Transferees (For all listed Cos).
- 4) Other, Specify _____

Stamps:

For Office Use Only:

Checked by _____ Signature tallied by _____

Entered in the Register of Transfer on _____ vide Transfer No. _____

Approval Date _____ Power of Attorney / Probate / Death Certificate / Letter of Administration registered on _____ at Number (No.) _____

ACKNOWLEDGEMENT

For Physical Shares

Received from Mr./Ms./Mrs./M/s. _____

I / We, holding Equity Shares in the physical form, accept the Offer and enclose duly filled signed and or stamped the original share certificate(s), transfer deed(s) and Form of Acceptance in "market" mode, duly acknowledged by me/us in respect of my shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
Total Number of Equity Shares					

For Demat Shares

Received from Mr./Ms./Mrs./M/s. _____

I / We, holding Equity Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "market" mode, duly acknowledged by my/our Depository Participant in respect of my shares as detailed below:

DP Name	DP ID	Client ID	Name of the Beneficiary	No. of Equity Shares

Stamp of Collection Centre	Signature of Official	Date of Receipt

Instructions:

- i. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance cum Acknowledgement.
- ii. The Form of Acceptance cum Acknowledgement should be filled-up in English only.

Note: All future correspondence, if any should be addressed to the Registrar to the Offer:

Skyline Financial Services Private Limited

(Unit: Sonal Mercantile Ltd – Open Offer)

D-153A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020

Tel: 011 – 64732681 / 88

Fax: 011 – 26812682

Website: www.skylinerta.com

Email: virenr@skylinerta.com; or admin@skylinerta.com;

Contact Person: Mr. Virender Rana

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