

DRAFT LETTER OF OFFER ("DLOO")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as Eligible Equity Shareholders (as defined below) of **Lasa Supergenomics Limited ("Target Company")**. If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer (as defined below) or the Registrar to the Offer (as defined below). In the event you have recently sold your Equity Shares of the Target Company, please hand over this Letter of Offer to the member of the stock exchange through whom the said sale was effected.

OPEN OFFER BY

Omkar Pravin Herlekar (Acquirer),

having his permanent address at Flat No. 1301/1302, 13th Floor, Premium Tower Co-operative Housing Society Limited, Lokhandwala Complex, Andheri West, Mumbai – 400053

To the Eligible Equity Shareholder(s) of

LASA SUPERGENOMICS LIMITED ("Target Company")

CIN: L24233MH2016PLC274202

Registered Office: C-105, MIDC, Mahad, Raigarh - 402 301, Maharashtra, India

Telephone: +91 21 4523 2101 / 202

Corporate Office: B-207, Citi Point, Andheri Kurla Road, Andheri East, Mumbai 400 059, Maharashtra, India

Telephone: +91 22 4970 1092; **Contact Person:** Nidhi Kulshreshtha, Company Secretary and Compliance Officer,

E-mail: cs@lasalabs.com; **Website:** www.lasalabs.com

to acquire up to **1,05,74,894 (One Crore Five Lakhs Seventy Four Thousand Eight Hundred Ninety Four Only)** fully paid-up equity shares of face value of ₹ 10 each (Rupees Ten each) ("**Offer Shares**"), representing **26%** of the Emerging Voting Share Capital / Fully Diluted Total Paid-Up Equity Share Capital of the Target Company, as of the tenth working day from the closure of the tendering period of the Open Offer ("**Voting Share Capital**"), from the Eligible Equity shareholders of the Target Company for cash at a price of **₹ 18.25 (Rupees Eighteen and paise Twenty Five only)** per equity share.

Please Note:

1. This Offer is being made by the Acquirer pursuant to Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**").
2. There is no person(s) acting in concert with the Acquirer for the purpose of this Offer.
3. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
4. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
5. There has been no competing offer as on the date of this Draft Letter of Offer.
6. The Offer is subject to the compliance of the terms and conditions as set out related to the issue of 1,78,08,219 equity shares to the Acquirer on Preferential basis in terms of the Board Resolution dated August 29, 2019 which shall be subject to the approval of the Shareholders of the Target Company; and other statutory approvals, as may be applicable. To the best of the knowledge and belief of the Acquirer, there are no statutory approvals required for the purpose of this Offer. If any statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such statutory approvals.
7. In the event of a withdrawal of the Offer, the Acquirer (through the Manager to the Offer) shall, within 2 (Two) Working Days (as defined hereinafter) of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the detailed public statement ("DPS") had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
8. If there is any upward revision in the Offer Price or the number of Shares sought to be acquired under the Open Offer by the Acquirer, at any time prior to the commencement of the last working day before the commencement of the tendering period i.e., Thursday, October 24, 2019 the same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirer for all the shares validly tendered anytime during the Tendering Period of the Open Offer.
9. A copy of the Public Announcement, the Detailed Public Statement and the Letter of Offer are also available on SEBI's website: www.sebi.gov.in.
10. 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



CHARTERED FINANCE MANAGEMENT LIMITED

2nd Floor, Wakefield House, Sprott Road,
Ballard Estate, Mumbai – 400 038
Maharashtra, India

Tel.: +91 22 22696944

Fax: +91 22 22624943

Contact Person: R. Ramnath

Email Id: openoffer@cfml.in

SEBI Registration Number: INM000012052

CIN: U99999MH1999PTC122702

Website: www.charteredfinance.in

REGISTRAR TO THE OFFER



BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building, Opposite Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai 400 059
Maharashtra India

Tel.: +91 22 6263 8200

Fax: +91 22 6263 8299

Contact Person: Arvind Tandel

Email Id: openoffer@bigshare.com

SEBI Registration Number: INR000001385

CIN: U99999MH1994PTC076534

Website: www.bigshareonline.com

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THIS O

Activity	Schedule (Day and Date)
Public Announcement (PA)	Thursday, August 29, 2019
Publication of DPS in the newspapers	Friday, September 06, 2019
Filing of the Draft Letter of Offer (" Letter of Offer ") with SEBI	Monday, September 16, 2019
Last date for a competitive offer	Monday, September 30, 2019
Last date for SEBI observations on draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Wednesday, October 09, 2019
Identified Date*	Friday, October 11, 2019
Letter of Offer to be dispatched to the Eligible Equity Shareholders whose name appears on the register of members on the Identified Date	Friday, October 18, 2019
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company	Tuesday, October 22, 2019
Last date for revising the Offer Price/ Offer Size	Thursday, October 24, 2019
Date of Publication of Offer Opening Eligible Equity Announcement in the newspapers where this DPS has been published	Thursday, October 24, 2019
Date of commencement of Tendering Period (Offer Opening Date)	Friday, October 25, 2019
Date of expiry of Tendering Period (Offer Closing Date)	Friday, November 08, 2019
Last Date for publication of post-offer Eligible Equity announcement in the newspapers in which this DPS has been published	Monday, November 18, 2019
Last Date for completion of all requirements including payment of consideration	Monday, November 25, 2019

* The Identified Date is only for the purpose of determining the Eligible Equity Shareholders as on such date to whom the Letter of Offer ("**LOO**") would be mailed/posted. It is clarified that all the Eligible Equity Shareholders of the Target Company (registered or unregistered) of the equity shares of the Target Company (except the Acquirer and promoter group shareholders of the Target Company) are eligible to participate in this Offer at any time prior to the closure of this Offer.

RISK FACTORS

Set forth are the risk factors relating to the Offer and the probable risks involved. These risk factors are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation or otherwise by the Eligible Equity Shareholders in this Offer, but are merely indicative. The Eligible Equity Shareholders are advised to consult their stock broker or legal, financial, tax or investment advisors/consultants, if any, for analyzing and understanding all the risks with respect to their participating in this Offer and related sale and transfer of Equity Shares. For capitalized terms used herein please refer to the Definitions set out on page 6 of this Draft Letter of Offer.

A. RISK FACTORS RELATING TO THE UNDERLYING TRANSACTION

1. The Board of Directors of Target Company in their meeting held on August 29, 2019 and Shareholders in their meeting dated Friday, September 27, 2019 will approve the allotment of 1,78,08,219 (One Crore Seventy Eight lakhs Eight Thousand Two Hundred Nineteen only) Equity Shares of face value of ₹10 each to the Acquirer by way of preferential allotment, in terms of Section 62 read with Section 42 of the Companies Act, 2013 and in compliance with applicable provisions of ICDR Regulations at a price of ₹ 18.25 per share including premium of ₹ 8.25 per share. Pursuant to the said preferential allotment, the Acquirer will hold 2,57,19,719 (Two crores Fifty Seven Lakhs Nineteen Thousand Seven Hundred Nineteen Only) Equity Shares representing 63.23% of the Emerging Voting Share Capital of the Target Company.
2. The Preferential Allotment is yet to receive approval from the Shareholders of the Target Company, BSE and NSE. As of the date of this Draft Letter of Offer (**DLOO**), to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any such statutory approvals are required by the Acquirer at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for 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 Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer agreeing to pay interest to the Eligible Equity Shareholders for delay beyond 10th Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Where the statutory or regulatory approvals extend to some but not all the Eligible Equity Shareholders, the Acquirer shall have the option to make payment of the consideration to such Eligible Equity Shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such Eligible Equity Shareholders. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
3. In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, if the conditions precedent and other conditions as stated in paragraph VII (B) are not satisfactorily complied with for reasons beyond the control of the Acquirer, the Open Offer would stand withdrawn. The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals that may be necessary at a later date are refused.
4. If at a later date, any other statutory or regulatory or other approvals / no objections are required, the Open Offer would become subject to receipt of such other statutory or regulatory or other approvals / no objections.

B. RISKS RELATING TO THE OFFER

1. This Open Offer is an offer to acquire not more than 26% of the Emerging Equity Share Capital / Voting Share Capital of the Target Company from the Eligible Equity Shareholders. In case Shares tendered in the Open Offer by the Eligible Equity Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Shares tendered by the Eligible Equity Shareholders in the Open Offer will be accepted.
2. In the event that either: (a) regulatory or statutory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer from performing their obligations hereunder, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Shares are accepted under the Offer as well as the return of Shares not accepted under the Offer by the Acquirer may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the validly tendering Shareholders.
3. The Equity Shares tendered in the Offer will be held in the special account of the Clearing Corporation, on behalf of the Eligible Equity Shareholders until the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Shares during such period. During such period, there may be fluctuations in the market price of the Shares. The Acquirer makes no assurance with respect to the market price of the Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
4. The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Draft Letter of Offer / Detailed Public Statement / Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirer, or the Manager to the Offer) would be doing so at his/her/their own risk.
5. 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 the Equity Shares in this Offer and dispatch of consideration are delayed.
6. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
7. The Eligible Equity 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 to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

8. This Offer is subject to completion risks as would be applicable to similar transactions.

C. Risks relating to Acquirer and the Target Company

1. The Acquirer makes no assurance with respect to its investment or divestment decisions relating to its proposed shareholding in the Target Company. The Acquirer makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
2. The Acquirer cannot provide any assurance with respect to the market price of the Shares of the Target Company before, during or after the Offer and the Acquirer 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.

CURRENCY OF PRESENTATION

1. In this Letter of Offer, all references to 'Rs.' / 'Rupees' / 'INR' / '₹' are references to Indian Rupee(s), the official currency of India. Throughout this Letter of Offer, all figures have been expressed in "million", "thousand", "lakh" or "crore" unless otherwise specifically stated.
2. In this Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

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I. KEY DEFINITIONS

Unless the context otherwise indicates or implies, the words, expressions or terms used in this Letter of Offer shall have the meaning set out below, and references to any statute or regulations, rules or acts or policies shall include amendments thereto, from time to time. The words and expressions used in this draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the Securities Contract (Regulations) Rules, 1957 as amended (SCRR), the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"), the Depositories Act, 1996 the SEBI (SAST) Regulations, other apposite statute, or the rules and regulations made thereunder.

Acquirer	Omkar Pravin Herlekar having his permanent address at Flat No. 1301/1302, 13th Floor, Premium Tower Co-operative Housing Society Limited, Lokhandwala Complex, Andheri West, Mumbai – 400053, Maharashtra, India.
Acquisition Window	Acquisition Window bears the meaning ascribed to it at paragraph VIII on page No. 28 of the draft Letter of Offer
Board of Directors	The Board of Directors of the Target company
Buying Broker	Choice Equity Broking Private Limited, the broker appointed by the Acquirer for the Offer through whom the purchases and settlement of the Equity Shares tendered under the Offer shall be made.
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Closure of the Tendering Period	The last day by which the Eligible Public Shareholders may tender their Equity Shares in acceptance of the Offer.
CIN	Corporate Identity Number
Clearing Corporation	Indian Clearing Corporation Limited
Companies Act	The Companies Act, 1956 / Companies Act, 2013 as amended or replaced from time to time.
Depositories	CDSL and NSDL
Designated Stock Exchange	BSE
Detailed Public Statement/ DPS	Detailed Public Statement dated September 6, 2019 issued by the Manager to the Offer, on behalf of the Acquirer, in relation to the Offer and published in all editions of Business Standard (English and Hindi) and Mumbai editions of The Global Times (Marathi) on September 6, 2019 in accordance with the Regulations 3(2) read with Regulations 13(4), 14(3) and 15(2) and other applicable regulations of the SEBI (SAST) Regulations.
DIN	Director Identification Number
DP	Depository Participant
DLOO	This Draft Letter of Offer dated September 16, 2019
Eligible Equity Shareholders	All the equity shareholders of the Target Company excluding the Acquirer being the sole Promoter of the Company
Equity Share(s)/ Share(s)	The fully paid up equity share(s) of the Target Company having a face value of ₹ 10 (Rupees ten) per equity share
Equity Share Capital / Voting Share Capital	The Issued, Subscribed and Paid Up Share Capital of the Target Company is ₹ 22,8644,490 comprising of 2,28,64,449 Equity Shares of ₹10/- each.

Escrow Agreement	Escrow Agreement entered between the Acquirer, Escrow Agent and Manager to the Offer
Escrow Bank / Escrow Agent	Kotak Mahindra Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at 27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai, Mumbai City, Maharashtra – 400051, India and acting for the purpose of this agreement through its branch situated at The Destination Building, Unit No. 002/003, , MG Road, Next to Stopper Stop, Tilak Nagar, Chembur, Mumbai – 400089
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors
FIPB	Foreign Investment Promotion Board
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
Identified Date	Friday, October 11, 2019 i.e., the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Eligible Equity Shareholders to whom the Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
ISIN	International Securities Identification Number
Letter of Offer/ LOO	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer
Manager to the Offer	Chartered Finance Management Limited having its registered office at 2 nd Floor, Wakefield House, Sprott Road, Ballard Estate, Mumbai – 400 038, Maharashtra, India
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
NRI	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/Open Offer	The open Offer being made by the Acquirer for acquiring up to 1,05,74,894 (One Crore Five Lakhs Seventy Four Thousand Eight Hundred Ninety Four Only) Equity Shares representing 26% of the Emerging Voting Share Capital / Fully Diluted Equity Capital, from the Eligible Equity Shareholders at the Offer Price payable in cash.
Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 19,29,91,816 (Rupees Nineteen Crores Twenty Nine Lakhs Ninety One Thousand Eight Hundred Sixteen Only)
Offer Period	Period commencing from Friday, October 25, 2019 till the date on which the payment of consideration to the Eligible Equity Shareholders who have accepted

	the Offer is made, or the date on which Offer is withdrawn, as the case may be.
Offer Price	₹ 18.25 (Rupees Eighteen and Paise Twenty Five Only) per Equity Share
Offer Size	Up to 1,05,74,894 (One Crore Five Lakhs Seventy Four Thousand Eight Hundred Ninety Four Only) Equity Shares aggregating to a sum of ₹ 19,29,91,816 (Rupees Nineteen Crores Twenty Nine Lakhs Ninety One Thousand Eight Hundred Sixteen Only) Equity Shares representing 26% of the Emerging Voting Share Capital / Fully Diluted Equity Capital.
Public Announcement/PA	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirer on Thursday, August 29, 2019 and filed with BSE, NSE, SEBI and Target Company in accordance with SEBI (SAST) Regulations
RBI	Reserve Bank of India
Registrar to the Offer	Bigshare Services Private Limited
SCRR	Securities Contract (Regulations) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (LODR) Regulations/ LODR	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations
Stock Exchanges	BSE and NSE
Target Company	Lasa Supergenerics Limited having its registered office at C-105, MIDC Mahad, Raigarh – 402301, Maharashtra, India and Corporate Office at B-207, Citi Point, Andheri Kurla Road, Andheri East, Mumbai 400 059, Maharashtra, India.
Tendering Period	Friday, October 25, 2019 to Friday, November 8, 2019
Working Day	Working days of SEBI

II. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE ELIGIBLE EQUITY SHAREHOLDERS OF LASA SUPERGENERICS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES HIS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED FINANCE MANAGEMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 16, 2019 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

III. DETAILS OF THE OFFER

A) Background of this Offer

1. This mandatory offer (the “**Offer**” or “**Open Offer**”) is being made by the Acquirer in compliance with Regulations 3(2) of and other applicable provisions of the SEBI (SAST) Regulations, to acquire 26% of the Emerging Voting Share Capital / Fully diluted Share Capital of the Target Company.
2. The Board of Directors of the Target Company at their meeting held on August 29, 2019, has approved issue of 1,78,08,219 Equity Shares of the face value of ₹10/- each at a price of ₹18.25 per share to the Acquirer on preferential basis under Section 62 read with Section 42 and other applicable provisions of the Companies Act, 2013 and in terms of the extant Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**SEBI (ICDR) Regulations**”), subject to the approval of shareholders and statutory / regulatory approvals (“**Preferential Allotment**”), as may be required. The Acquirer shall comply with the lock-in requirements as stipulated under Chapter V of the SEBI (ICDR) Regulations. In terms of regulation 22(2A) of the SEBI (SAST) Regulations, the Equity Shares allotted pursuant to the Preferential Allotment shall be transferred to the demat escrow account and released to the Acquirer only upon successful completion of the Open Offer formalities. The Acquirer shall not exercise any voting rights over such Equity Shares kept in the demat escrow account.
3. The Acquirer hereby makes this Offer to all the Eligible Equity Shareholders of the Target Company (other than the Acquirer being the sole Promoter of the Target Company) to acquire Offer Shares, representing in aggregate 26% of the Emerging Voting Share Capital / Fully diluted Share Capital of the Target Company at a price of ₹ 18.25 (Rupees Eighteen and Paise Twenty Five Only) per fully paid up equity share (“**Offer Price**”) payable in cash subject to the terms and conditions mentioned in the PA, DPS and in the Letter of Offer that will be circulated to the shareholders in accordance with the SEBI (SAST) Regulations (“**Letter of Offer**”).
4. There are no person(s) acting in concert with the Acquirer in this Offer within the meaning of Regulation 2(1)(q) of the SEBI SAST Regulations.
5. The object of the acquisition is substantial acquisition of shares / voting Rights in the Target Company.
6. The Target Company will apply for In-Principle Approval to BSE and NSE on receiving approval from the Equity shareholders in their Annual General Meeting dated September 27, 2019.
7. This Offer is not made pursuant to any indirect acquisition, arrangement or agreement and is not a conditional offer.
8. This Offer is not a result of a global acquisition, an open market purchase or a negotiated deal.
9. The Offer Price is payable in cash, in accordance with Regulation 9 (1) of the SEBI (SAST) Regulations.
10. The Acquirer confirms that he is not prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

11. The Committee of Independent Directors of the Board of the Target Company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared latest by Tuesday, October 22, 2019.

B) Details of the proposed Offer:

1. The Public Announcement announcing the Open offer, under Regulation 3(2) was made on Thursday, August 29, 2019 to the BSE and NSE and a copy thereof was also filed with SEBI and sent to the Target Company at its Corporate Office and registered office on Thursday, August 29, 2019 and Friday August 30, 2019 respectively.
2. The Acquirer has published the Detailed Public Statement on Friday, September 6, 2019 in the following newspapers:

Sr. No.	Newspapers	Language	Editions
1	Business Standard	English	All Editions
2	Business Standard	Hindi	All Editions
3	The Global Times	Marathi	Mumbai

Simultaneously, in accordance with the provisions of Regulation 14(4) of SEBI (SAST) Regulations, a copy of the DPS was sent through the Manager to the Offer to: (i) SEBI; (ii) BSE; (iii) NSE and (iv) the registered office of the Target Company on September 6, 2019.

A copy of the DPS is also available on the SEBI's website: www.sebi.gov.in

3. Pursuant to the Open Offer, the Acquirer proposes to acquire 1,05,74,894 (One Crore Five Lakhs Seventy Four Thousand Eight Hundred Ninety Four Only) Equity Shares representing 26% (Twenty Six percent) of the Emerging Voting Share Capital / Fully diluted Share Capital of the Target Company as of the tenth (10th) working day from the closure of the tendering period, at the Open Offer Price of ₹ 18.25 (Rupees Eighteen and Paise Twenty Five Only) per Equity Share, to be paid in cash, in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions set out in the Draft Letter of Offer.
4. The Offer is being made to all the Eligible Equity Shareholders of the Target Company (other than the Promoter). All Shares validly tendered in the Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Draft Letter of Offer. The Shares to be acquired under the Offer must be free from all lien, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
5. The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
6. As on date of this DLOO, there are no partly paid up Equity Shares in the share capital of the Target Company. Further, there is no differential pricing for the Offer.
7. As on the date of this DLOO, there are no outstanding convertible securities, depository receipts, warrants or instruments issued by the Target Company which are convertible into Equity Shares.

8. This Offer is being made to the Eligible Public Shareholders in terms of Regulation 7(6) of the SEBI (SAST) Regulations.
9. The Manager to the Offer does not hold any Equity Shares as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares of the Target Company during the Offer Period.
10. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
11. As on the date of this Draft Letter of Offer, the Acquirer holds 79,11,500 shares in the Target Company
12. The Acquirer confirms that he has not acquired any Shares of Target Company after the date of PA i.e. Thursday, August 29, 2019 and up to the date of this Draft Letter of Offer.
13. In the event that the number of Equity Shares validly tendered by the Eligible Equity Shareholders under this Offer is more than the Offer Size, the Acquirer shall accept the Equity Shares received from the Eligible Equity Shareholders on a proportionate basis in consultation with the Manager to the Offer in a fair and equitable manner, as detailed in paragraph VIII of this Draft Letter of Offer.
14. The Equity Shares of the Target Company are listed on the BSE and the NSE. As per Regulation 38 of LODR, read with Rule 19(2) and Rule 19A of SCRR the Target Company is required to maintain at least 25% Eligible Equity shareholding (i.e., Shares of the Target Company held by the Eligible Equity as determined in accordance with the SCRR, on a continuous basis for listing). The acquisition of 26% Emerging Voting Share Capital / Fully diluted Share Capital under this Offer will result in the public shareholding in the Target Company falling below the level required for continuous listing. Further the Acquirer undertakes that if his shareholding exceeds the maximum permissible non-public shareholding, pursuant to this Open Offer, the Target Company shall not be making a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2009, unless a period of 12 months has elapsed from the date of the completion of the Offer Period.

IV. OBJECT OF THE ACQUISITION/ OFFER

1. The object of the acquisition is substantial acquisition of shares/voting Rights in the Target Company.
2. At present, the Acquirer does not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirer may continue to support the existing business of the Target Company. However, in case the Acquirer intends to build new businesses it shall be subject to the prior approval of the Shareholders by way of a special resolution.
3. The Acquirer does not have any plans to restructure or alienate any material assets of the Target Company whether by way of sale, lease, encumbrance or otherwise within a period of two years from the completion of the Offer except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within 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 SEBI (SAST) Regulations.

V. BACKGROUND OF THE ACQUIRER – OMKAR PRAVIN HERLEKAR

1. Omkar Pravin Herlekar (hereinafter referred to as “**Acquirer**”), son of Pravin Shivdas Herlekar, is an Indian National, aged about 38 years, having his address at Flat No. 1301/1302, 13th Floor, Premium Tower Co-operative Housing Society Limited, Lokhandwala Complex, Andheri West, Mumbai – 400053, Maharashtra, India. His PAN number is ACCPH0802P, Mobile number is (+)91 7798888147 and his Email id is omkar@lasalabs.com.
2. The Acquirer holds a Doctorate in Philosophy (Science) from the Institute of Chemical Technology, Mumbai and a degree of Masters of Science (By Research) (Theory) from University of Mumbai.
3. He is currently a Director of Lasa Supergenerics Limited and Harishree Aromatics & Chemicals Private Limited. He has 14 years of experience in the veterinary API industry.
4. The Acquirer is a Promoter and Director of Harishree Aromatics and Chemicals Private Limited (Harishree) and presently holds 3,17,500 Equity Shares of Harishree, aggregating to 96.21% of the issued and paid-up equity share capital of Harishree. Omkar Pravin Herlekar is also a Promoter of Amarnath Securities Limited (Amarnath) and presently holds 14,61,824 Equity Shares of Amarnath, aggregating to 48.72% of its issued and paid-up equity share capital.
5. The Acquirer has confirmed that he is not categorized as a “**Willful Defaulter**” in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. He has further confirmed that he and the other companies of which he is the promoter and director are not appearing in the willful defaulters list of the Reserve Bank of India and is not debarred by SEBI from accessing the capital markets or from dealing in securities in terms of the provisions of Section 11B of the SEBI Act, 1992 or under any other Regulation of the SEBI Act, 1992.
6. The Acquirer holds 79,11,500 equity shares in the Target Company and is the Promoter and the Chairman & Managing Director of the Target Company.
7. The Networth of Acquirer as on September 4, 2019 is ₹ 4880.974/- Lakhs (Rupees Forty Eight Crores Eighty Lakhs Ninety Seven Thousand and Four Hundred Only) and the same is certified by Kamlesh Rocho Kukreja, Proprietor of K R Kukreja And Co. Chartered Accountant, having its office at Shop No. 3, Barrack No. 276, Jhulelal Mandir Road, Ulhasnagar District, Thane – 421 002. (Membership No. 160218; Firm Registration No.: 147571W) vide its certificate dated September 04, 2019. The Acquirer has sufficient liquid funds as on date to fulfill his monetary obligations under this Open Offer.
8. The Acquirer undertakes not to sell the Equity Shares of the Target Company held by him during the “Offer Period” in terms of Regulation 25(4) of the SEBI (SAST) Regulations.
9. The Acquirer is not part of any group.
10. The Acquirer holds 79,11,500 equity shares in the Target Company as on the date of this Draft Letter of Offer. He has complied with the provisions of chapter V of the SEBI (SAST) Regulations with regard to his holding in the Target Company.

VI. BACKGROUND OF THE TARGET COMPANY

LASA SUPERGENERICS LIMITED ("Target Company")

1. The Target Company was incorporated as "Lasa Supergenerics Limited" on March 11, 2016 as a public company under the provisions of Companies Act, 2013 having registration number 274202 of 2016 with the Registrar of Companies, Mumbai ("**ROC**"). The Corporate Identification Number of the Target Company is L24233MH2016PLC274202. The registered office of the Target Company is situated at C-105, MIDC Mahad, Raigarh – 402301, Maharashtra, India. Tel: +91 21 4523 2101 / 202; and the corporate office of the Target Company is situated at: B-207, Citi Point, Andheri Kurla Road, Andheri East, Mumbai - 400059, Maharashtra, India **Telephone:** +91 22 49701092; **E-mail:** cs@lasalabs.com; **Website:** www.lasalabs.com. The Promoter of the Target Company is Omkar Pravin Herlekar.
2. Pursuant to the Scheme of Arrangement which was sanctioned by the National Company Law Tribunal, Mumbai Bench vide Order dated April 13, 2017 and which took effect on May 2, 2017, four wholly owned subsidiary companies of Omkar Speciality Chemicals Limited were merged into Omkar Speciality Chemicals Limited, and the Veterinary API undertaking of Omkar Speciality Chemicals Limited was demerged into the Target Company.
3. **The main object of the Target Company as per its Memorandum of Association is as under:**

"To carry on in India and elsewhere the business to manufacture, produce, process, prepare, treat, disinfect, compound, formulate, mix, concentrate, pack, repack, refine, add, remove, purify, preserve, grade, freeze, distillate, boil, sterilize, improve, extract, buy, sell, wholesale / resale, trade, import, export, barter, transport, store, forward, distribute, dispose, develop, research, discover, manipulate, market, supply, concessions, or to otherwise deal as chemists, analytical chemists, research chemists, druggists, industrial consultant, for all types, descriptions, specifications, strengths and applications of chemicals including and without limitation to fine chemicals, organic and inorganic chemicals and their by-products, pharmaceuticals, drugs, intermediates, fine chemicals reagents laboratory grade chemicals, dye stuffs, dyes and colours, enzymes, sanitary napkins, derivatives, formulations, plastics, pesticides, pigments, varnishes, paints, alcohols, agro-chemicals, petrochemicals, compound industrial and other preparations and also undertaking on a job-work basis the manufacturing and processing of all kinds of chemicals, drugs, intermediates, pharmaceuticals, fine chemicals, reagents, laboratory grade chemicals and to provide consultancy services, contract research which shall include working as preparation of feasibility studies, working out of process details and equipment specification, plant erection and commencement of new project on turnkey basis and to apply for, register, renew licenses, patents, patent rights, brevet d'invention, trademarks, designs."
4. The Target Company is being managed by Omkar Pravin Herlekar. The Target Company is a Research & Development focused, vertically integrated company spanning the entire animal and human healthcare value chain. The Target Company is a veterinary API manufacturing entity engaged in the development and manufacturing of active pharmaceutical ingredients ("**APIs**") primarily used for veterinary health care. It sells APIs to customers in the domestic and various international markets including China, Germany, and Egypt. The Target Company has the capabilities to develop and manufacture products with multi-step synthesis which may comprise of semi-synthetic fusion technologies, high-potency APIs and peptide chemistry.
5. The Target Company does not have any subsidiary.

6. The Authorized Share Capital of the Target Company is ₹5,000 Lakhs comprising of 5,00,00,000 Equity Shares of face value ₹10/- each. The Issued and Subscribed Share Capital of the Target Company is ₹22,86,44,490 comprising of 2,28,64,449 Equity Shares of ₹10/- each. There are no partly-paid shares.
7. As on the date of this Draft Letter of Offer, there are no outstanding convertible instruments to be converted into Equity Shares of the Target Company at a future date.
8. The Equity Shares of the Target Company are listed on the BSE (Scrip Code: 540702) and the NSE (Symbol: LASA) (Source: www.bseindia.com and www.nseindia.com)
9. The equity shares of the Target Company are frequently traded on both exchanges i.e., the BSE and the NSE within the meaning of explanation provided in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations. (Source: www.bseindia.com and www.nseindia.com)
10. The Target Company has paid listing fees to BSE and NSE for the financial year 2019-20.
11. The trading in the Equity Shares of the Target Company has never been suspended on the stock exchanges.
12. The capital structure of the Target Company as of the date of this Draft Letter of Offer is:

Issued and Paid-up Equity Share Capital	Number of Equity Shares (Face Value - ₹ 10/-)/Voting Rights	Percentage of Equity Shares/Voting Rights
Total Issued Capital	2,28,64,449	100%
Total fully paid-up equity shares	2,28,64,449	100%
Total Voting Rights in Target Company	2,28,64,449	100%

13. As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

Sr. No.	Name, PAN and Address	Designation	DIN	Date of Appointment
1	Omkar Pravin Herlekar	Chairman & Managing Director	01587154	March 11, 2016
2	Shivanand Gajanan Hegde	Whole Time Director	00185508	May 02, 2017
3	Mithun Mohan Jadhav	Whole Time Director	08181048	August 13, 2018
4	Hardesh Raja Tolani	Independent Director	07811319	May 02, 2017
5	Ajay Hareshlal Sukhwani	Independent Director	07811551	May 02, 2017
6	Ekta Avtar Gurusinghani	Independent Director	07811337	May 02, 2017
7	Manali Roop Bhagtani	Independent Director	08067867	February 12, 2018

14. The Acquirer is the Chairman and Managing Director of the Company and is therefore represented on the Board of Directors of the Target Company as on the date of this Draft Letter of Offer.
15. No merger / demerger / spin off have taken place in the Target Company since 2017.
16. The brief standalone financial information of the Target Company for the Quarter ended (3-month Period) June 30, 2019 and financial years ended 31st March 2019, 31st March 2018 and 31st March 2017 is as under:

(Amount ₹ in lakhs)

Profit & Loss Statement	Unaudited Financials for 3- month period ended June 30, 2019 ⁽ⁱ⁾	Audited Financials for the year ended March 31, 2019⁽ⁱ⁾	Audited Financials for the year ended March 31, 2018⁽ⁱ⁾	Audited Financials for the year ended March 31, 2017⁽ⁱⁱ⁾
Revenue from Operations	3898.40	16,957.30	24,583.88	19,966.25
Other Income	9.17	411.69	348.66	27.18
Total Revenue	3,907.57	17,368.99	24,932.54	19,993.43
Expenditure	3395.26	15,846.30	20,458.20	15,438.18
Profit Before Depreciation Interest and Tax	512.31	1,522.69	4,474.34	4,555.25
Depreciation	426.23	1,930.85	1,816.66	863.51
Interest	214.02	1,202.12	1,134.35	932.06
Profit Before Tax & Exceptional Items	(127.94)	(1,610.28)	1,523.33	2,759.67
Exceptional Items	-	-	-	(3,061.30)
Profit Before Tax	(127.94)	(1,610.28)	1,523.33	(301.63)
Provision for Tax	(20.32)	407.22	(289.34)	239.09
Profit After Tax	(107.62)	(1,203.06)	1,233.99	(62.54)
Balance Sheet Statement	Unaudited Financials as at June 30, 2019⁽ⁱ⁾	Audited Financials as at March 31, 2019⁽ⁱ⁾	Audited Financials as at March 31, 2018⁽ⁱ⁾	Audited Financials as at March 31, 2017⁽ⁱⁱ⁾
Paid up share capital	2,286.44	2,286.44	2,286.44	5.00
Equity Pending Allotment	-	-	-	2,057.80
Reserves and Surplus	-	8,243.34	9,447.64	5491.17
Networth	-	10,529.78	11,734.08	7,553.97
Secured loans	-	3902.60	4,582.35	5,482.05
Unsecured loans	-	2969.95	4,427.68	5,302.22
Deferred Tax Liabilities (Net)	-	-	166.58	12.87
Long Term Provisions	-	35.77	23.75	125.81
Trade Payables	-	5,967.44	4,793.52	2,538.40
Other Financial Liabilities	-	1,587.02	1,711.89	-
Other Current Liabilities	-	607.87	815.33	1,330.76
Provisions	-	249.09	129.31	369.19
Current Tax Liabilities (net)	-	-	293.52	-
Total	-	25,849.52	28,678.02	22,715.26
Net fixed assets	-	16,890.14	17,688.03	14,657.53
Investments	-	-	0.10	0.10
Long Term Loans & Advances	-	73.65	71.81	49.81
Other Non-Current Assets	-	-	-	28.09
Deferred Tax Assets (Net)	-	302.02	-	-
Inventories	-	3,159.98	4,223.45	3,345.85
Trade receivables	-	2887.94	4,215.11	3,504.17
Other Current Assets	-	2,262.29	2,210.44	130.05
Cash and Bank Balances	-	268.50	263.48	116.23
Loans	-	5.00	5.60	883.43

Total		25,894.52	28,678.02	22,715.26
Other Financial Data	Unaudited Financials for 3- month period ended June 30, 2019	Audited Financials for the year ended March 31, 2019	Audited Financials for the year ended March 31, 2018	Audited Financials for the year ended March 31, 2017
Dividend (%)	-	-	-	-
Earnings Per Share (Rs.)	(0.47)	(5.26)	5.43 ⁽ⁱⁱⁱ⁾	125.08
Return on Net worth (%)	-	(11.43%)	10.52%	(0.83%)
Book Value per share (Rs.)	-	46.04	51.32	15,107.94

⁽ⁱ⁾ These Financial Statements have been prepared and presented in accordance with IND AS

⁽ⁱⁱ⁾ These Financial Statements have been prepared and presented in accordance with GAAP.

⁽ⁱⁱⁱ⁾ Earnings Per Share (EPS) is calculated by dividing net profit after tax by weighted average no. of equity shares, including shares allotted in pursuance of schemes of arrangement. Actual allotment of shares took place on June 14, 2017.

Note: Since the Unaudited Balance Sheet as at June 30, 2019 is not subject to Limited Review Balance sheet figures as at June 30, 2019 are not incorporated in this DLOO.

17. Details of Contingent Liabilities as on June 30, 2019

Particulars	Amount as on June 30, 2019 (Rs in lakhs)
Nil	Nil

18. **Pre and Post Offer Shareholding Pattern of the Target Company as on date of this Draft Letter of Offer is and shall be as follows:**

Shareholders' Category	Shareholding & voting rights prior to the acquisition and Open Offer		Equity Shares/voting rights agreed to be acquired which has triggered the Regulations		Equity Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the Pref allotment and Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter/ promoter group								
a. Parties to agreement, if any	-	-	-	-	-	-	-	-
b. Promoters other than (a) above	-	-	-	-	-	-	-	-
Total (1)	-	-	-	-	-	-	-	-
(2) Acquirer	79,11,500	34.59	1,78,08,219	43.78	1,05,74,894	26.00	3,62,94,613	89.24
(3) Eligible Equity (other than Acquirer)	1,49,52,949	65.41					43,78,055	10.76
Grand Total (1+2+3)	2,28,64,449	100.00	-	-	-	-	4,06,72,668	100.00

19. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A) JUSTIFICATION FOR THE OFFER PRICE

1. The equity shares of the Target Company are listed on the BSE and NSE.
2. The annualized trading turnover in the equity shares of the Target Company on BSE and NSE based on trading volume during the twelve calendar months prior to the month of PA is as given below:

Stock Exchange	Total no. of equity shares traded during the twelve calendar months prior to the month of PA (A)	Total average no. of listed equity shares during the twelve months prior to the month of PA (B)	Annualized trading turnover (as % of shares listed) (A/B)
BSE	28,70,385	228,64,449	12.55%
NSE	91,36,268	228,64,449	39.96%

(Source: www.bseindia.com & www.nseindia.com)

3. Based on the information provided in para VI (18) (A)(2) above, the equity shares of the Target Company are **frequently traded** on the both the stock exchanges within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations.
4. The Offer Price of ₹ 18.25/-(Rupees Eighteen and Paise Twenty-Five only) is justified in terms of regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, **being the highest of the following:**

a)	Highest negotiated price per equity share for acquisition / the Preferential Allotment Price	₹18.25
b)	The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirer or by any person(s) acting in concert, during the fifty-two weeks immediately preceding the date of PA;	₹10.70
c)	The highest price paid or payable per equity share for any acquisition, whether by the Acquirer or by any person(s) acting in concert, during the Twenty-six weeks immediately preceding the date of the Eligible Equity Announcement	₹10.13
d)	The volume-weighted average market price per equity share for a period of sixty trading days immediately preceding the date of the PA as traded on the stock exchange where the maximum volume of trading in the equity shares of the target company are recorded during such period, i.e. NSE	₹12.56*

*(Source: www.nseindia.com)

Note: Preferential Allotment to be made to the Acquirer is at a price of ₹ 18.25 per Equity Share.

5. The price and volume data of the Equity Shares on NSE where the highest volumes have been recorded for a period of 60 trading days immediately preceding the date of the PA, as per Regulation 8(2) of the SEBI (SAST) Regulations, is set forth below:

Sl. No	Trading Day	VWAP
1	28-Aug-19	11.58
2	27-Aug-19	11.34
3	26-Aug-19	10.60
4	23-Aug-19	10.26
5	22-Aug-19	10.20
6	21-Aug-19	10.45
7	20-Aug-19	10.67
8	19-Aug-19	11.20
9	16-Aug-19	11.55
10	14-Aug-19	11.20
11	13-Aug-19	10.66
12	9-Aug-19	10.50
13	8-Aug-19	10.29
14	7-Aug-19	10.50
15	6-Aug-19	9.88
16	5-Aug-19	9.91
17	2-Aug-19	9.95
18	1-Aug-19	10.18
19	31-Jul-19	9.75
20	30-Jul-19	10.08
21	29-Jul-19	10.36
22	26-Jul-19	10.24
23	25-Jul-19	10.25
24	24-Jul-19	10.48
25	23-Jul-19	11.04
26	22-Jul-19	11.74
27	19-Jul-19	11.64
28	18-Jul-19	10.98
29	17-Jul-19	10.43
30	16-Jul-19	9.95
31	15-Jul-19	10.28
32	12-Jul-19	10.15
33	11-Jul-19	10.58
34	10-Jul-19	10.89
35	9-Jul-19	11.29
36	8-Jul-19	11.80

37	5-Jul-19	12.22
38	4-Jul-19	12.15
39	3-Jul-19	12.65
40	2-Jul-19	12.72
41	1-Jul-19	13.39
42	28-Jun-19	13.67
43	27-Jun-19	13.85
44	26-Jun-19	14.20
45	25-Jun-19	14.35
46	24-Jun-19	14.35
47	21-Jun-19	14.54
48	20-Jun-19	14.92
49	19-Jun-19	15.43
50	18-Jun-19	16.09
51	17-Jun-19	15.32
52	14-Jun-19	14.65
53	13-Jun-19	15.34
54	12-Jun-19	16.74
55	11-Jun-19	17.84
56	10-Jun-19	18.15
57	7-Jun-19	19.14
58	6-Jun-19	19.58
59	4-Jun-19	19.98
60	3-Jun-19	19.82
Average VWAP		12.56

6. The Volume Weighted Average Market Price based on the above is ₹ **12.56** (Rupees Twelve and Paise Fifty Six only) per Equity Share.
7. The Open Offer is being made at a price of ₹ 18.25 which is highest of the Fair Market Valuation arrived and is at par with the preferential allotment price, hence, justified.
8. In view of the above parameters considered and in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 18.25/- per equity share is the highest of the Fair Market Valuation arrived at as above and is justified in terms of regulation 8(1) and 8(2) of the SEBI (SAST) Regulations.
9. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
10. There has been no revision in the Offer Price or to the size of this Offer as on the date of this Draft Letter of Offer.

11. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offer or otherwise, will be done at any time prior to the commencement of the last one working day before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall:
 - a. make corresponding increases to the escrow amounts;
 - b. make a public announcement in the same newspapers in which this DPS has been published; and
 - c. simultaneously with the issue of such announcement, inform SEBI, BSE, NSE and the Target Company at its registered office of such revision.
12. In the event that the number of Equity Shares validly tendered by the Eligible Equity Shareholders under this Offer is more than the Offer Size, the Acquirer shall accept the Equity Shares received from the Eligible Equity Shareholders on a proportionate basis in consultation with the Manager to the Offer in a fair and equitable manner.

B) FINANCIAL ARRANGEMENTS

1. Assuming full acceptance, the total funds requirement to meet this Offer is of ₹19,29,91,816 (Rupees Nineteen Crores Twenty-Nine Lakhs Ninety-One Thousand Eight Hundred and Sixteen Only).
2. This Offer is not subject to differential pricing.
3. The Networth of Acquirer as on September 4, 2019 is ₹ 4880.974 Lakhs/- (Rupees Forty Eight Crores Eighty Lakhs Ninety Seven Thousand and Four Hundred Only) and the same is certified by Kamlesh Rocho Kukreja, Proprietor of K R Kukreja And Co. Chartered Accountant, having its office at Shop No. 3, Barrack No. 276, Jhulelal Mandir Road, Ulhasnagar District, Thane – 421 002. (Membership No. 160218; Firm Registration No.: 147571W) vide its certificate dated September 04, 2019.
4. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Cash Account bearing Account No: 6912616292 in the name of "Lasa Supergenerics Open Offer Escrow Account" ("**Open Offer Escrow Cash Account**") with Kotak Mahindra Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at 27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai, Mumbai City, Maharashtra – 400051, India and acting for the purpose of this agreement through its branch situated at The Destination Building, Unit No. 002/003, M.G.Road, Next to Stopper Stop, Tilak Nagar, Chembur, Mumbai- 400089 ("**Open Offer Escrow Agent**") and has made a cash deposit of ₹ 4,85,00,000 (Rupees Four Crore Eighty Five Lakhs Only) in the Escrow Cash Account. The cash deposited in Escrow Cash Account represents more than 25% of the total consideration payable to the Public Shareholders under this Offer. Escrow Bank vide email dated September 5, 2019 has confirmed the credit balance of ₹4,85,00,000 (Rupees Four Crore Eighty Five Lakhs Only) The Acquirer has empowered the Manager to the Offer to operate and to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations. The Acquirer has entered into an escrow agreement with the Open Offer Escrow Agent and the Manager to the Offer.
5. The Acquirer has, vide Certificate dated September 4, 2019 confirmed that it has adequate financial resources to meet the obligations under the Open Offer and has made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.

6. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or Offer Size and any additional amounts required will be funded by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
7. Based on the above, Chartered Finance Management Limited, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to implement the Open Offer in full accordance with the SEBI (SAST) Regulations.

VII. TERMS AND CONDITIONS OF THE OFFER

1. In terms of schedule of activities, the tendering period will commence on Friday, October 25, 2019 and will close on Friday, November 8, 2019 (both days inclusive).
2. The Eligible Equity Shareholders of the Target Company who tender their Equity Shares in this Offer shall ensure that the Equity Shares offered under this Offer are free from all liens, charges, equitable interests, and encumbrances and will be acquired by the Acquirer in accordance with the terms and conditions set forth in the DPS and this draft Letter of Offer, the relevant provisions of the SEBI (SAST) Regulations, and applicable law. The Acquirer shall acquire the Equity Shares in this Offer, together with all the rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof and the tendering Eligible Equity Shareholders shall have obtained consents for it to sell the Equity Shares tendered in the Offer.
3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
4. The Identified date for this Offer as per tentative schedule of activity is Friday, October 11, 2019
5. Target Company has signed agreements with Depositories for offering Shares in dematerialized form. The ISIN Number is INE670X01014.
6. The Marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (One) Equity Share. (*Source: www.bseindia.com; www.nseindia.com*)
7. There has been no revision in the Offer Price or Offer Size as on the date of this draft Letter of Offer.
8. In terms of Regulation 20(8) of the SEBI (SAST) Regulations, if there is a competing offer, the schedule of activities and the Tendering Period for all competing offers, shall be carried out with identical timelines and the last date for tendering shares in acceptance of every competing offer shall stand revised to the last date for tendering shares in acceptance of the competing offer made.
9. In terms of Regulation 20((9) of the SEBI (SAST) Regulations, upon the Eligible Equity announcement of a competing offer, an acquirer who had made a preceding competing offer shall be entitled to revise the terms of its Offer provided the revised terms are more favourable to the Eligible Equity Shareholder of the Target Company. However, the acquirer making the competing offers shall be entitled to make upward revisions of the offer price at any time up to 1 Working Day prior to the commencement of the Tendering Period.
10. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Eligible Equity Shareholder who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, the DPS and this draft Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for this Offer.

11. Accidental omission to dispatch this Letter of Offer to any Eligible Equity Shareholder to whom this Offer has been made or non-receipt of this Letter of Offer by any such Eligible Equity Shareholder shall not invalidate this Offer in any way.
12. 22,00,001 (comprising 27.81%) Equity Shares belonging to the Acquirer (Promoter) are under lock-in and all the shares proposed to be allotted under the preferential allotment will be under lock-in.

A) ELIGIBILITY FOR ACCEPTING THE OFFER

1. The Letter of Offer shall be mailed to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form (except the present sole promoter being the Acquirer) whose names appear in register of members of the Target Company as of the close of business on Friday, October 11, 2019, i.e., the Identified Date.
2. This Offer is also open to persons who own Equity Shares in the Target Company but are not registered Eligible Equity Shareholders as on the Identified date i.e. Friday October 11, 2019.
3. Eligible Equity Shareholders holding the shares in dematerialized form are eligible to participate in this Open Offer at any time during the period from Offer Opening Date till the Offer Closing Date ("**Tendering Period**") for this Open Offer.
4. As per the proviso to Regulation 40(1) of the LODR Regulations (as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, the Eligible Equity Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Open Offer can do so only after the Equity Shares are dematerialized. Such Eligible Equity Shareholders are advised to approach any depository participant to have their Equity Shares dematerialized.
6. The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer and the Letter Of Offer will also be available on the website of SEBI (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Eligible Equity Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer from SEBI's website for applying in the Offer.
7. Unregistered Shareholders, those who hold shares in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Shareholders.
8. The acceptance of this Offer by the Eligible Equity Shareholders of Target Company must be unconditional, absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
9. The acceptance of this Offer is entirely at the discretion of the Eligible Equity Shareholder(s)/Beneficial owner(s) of Target Company.

11. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.

B) STATUTORY AND OTHER APPROVALS

1. The proposed Preferential Allotment is subject to approval from the Shareholders of the Target Company, BSE and NSE. As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no other statutory or other approvals required by the Acquirer to complete the acquisition of the Offer Shares. However, in case any statutory or other approvals are required by the Acquirer at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.
2. If any of the Eligible Equity shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIIs) require any approvals inter-alia from the Reserve Bank of India, or any regulatory body for the transfer of any Equity Shares to the Acquirer, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirer reserves the right to reject the Equity Shares tendered by such shareholders that are not resident in India. Subject to the receipt of statutory and other approvals, if any, the Acquirer shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Eligible Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
3. Subject to the receipt of statutory and other approvals, if any, the Acquirer shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delayed receipt of the requisite approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue the application for such approval, grant extension of time for the purpose, subject to such terms and conditions as may be specified by SEBI including payment of interest to the shareholders, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if any of the statutory approvals are refused, the Acquirer has a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, BSE, NSE and the registered office of the Target Company.

VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

1. The Open Offer will be implemented by the Company through Stock Exchange Mechanism made available by 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 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI.
2. BSE shall be the designated stock exchange ("**Designated Stock Exchange**") for the purpose of tendering Equity Shares in the Open Offer.
3. The Acquirer has appointed Choice Equity Broking Private Limited as the registered broker ("**Buying Broker**") for the Open Offer through whom the purchases and settlements of on account of the Equity Shares tendered under the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:

Name : Choice Equity Broking Private Limited
Address : Choice House, Shree Shakambhari Corporate Park,
Plot No. 156-158, J B Nagar,
Andheri (East), Mumbai-400 099
Contact Person: Mr. Sheetal Murarka
Tel. : 022- 6707 9999
E-mail ID : sheetal.murarka@choiceindia.com

4. The facility for acquisition of shares and placing sell orders through the Stock Exchange mechanism pursuant to Offer shall be available on the BSE in the form of a separate acquisition window ("**Acquisition Window**").
5. All the Eligible Equity Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stock broker ("**Selling Broker**") during the normal trading hours of the secondary market during Tendering Period.
6. The Acquisition Window provided by BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for demat equity shares only.
7. The cumulative quantity tendered shall be displayed on the website of the BSE throughout the trading session at specific intervals by the stock exchange during Tendering Period.
8. Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).
9. **PROCEDURE TO BE FOLLOWED BY SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM:**

As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment)

Regulations, 2018), effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Therefore, the Eligible Equity Shareholders holding Equity Shares in physical form shall not be eligible to tender such Equity Shares in the Open Offer.

ACCORDINGLY, THE ELIGIBLE EQUITY SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM AND ARE DESIROUS OF TENDERING THEIR EQUITY SHARES IN THE OPEN OFFER CAN DO SO ONLY AFTER THE EQUITY SHARES ARE DEMATERIALIZED. SUCH ELIGIBLE EQUITY SHAREHOLDERS ARE ADVISED TO APPROACH ANY DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED.

10. SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN DEMATERIALIZED FORM:

- a. The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker, indicating details of Shares they wish to tender in Open Offer.
- b. The Selling Broker shall provide early pay-in of demat shares (except for Custodian Participant orders) to the Clearing Corporation before placing the bids / orders and the same shall be validated at the time of order entry.
- c. For Custodian Participant, orders for demat equity shares early pay-in is mandatory prior to confirmation of order by the Custodian. The Custodians shall either confirm or reject orders not later than close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- d. 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.
- e. Upon placing the bid, the seller member(s) shall provide Transaction Registration slip ("TRS") generated by the Exchange Bidding System to the shareholder. TRS will contain details of order submitted like Bid ID No. DP ID, Client ID, No of Shares tendered etc.
- 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 prorated Open Offer.

THE ELIGIBLE EQUITY SHAREHOLDERS HOLDING SHARES IN DEMAT MODE (INCLUDING THOSE PHYSICAL SHAREHOLDERS WHO DEMAT THEIR PHYSICAL SHARES FOR THE PURPOSE OF TENDERING IT IN THE OPEN OFFER) ARE NOT REQUIRED TO FILL ANY FORM OF ACCEPTANCE.

11. ACCEPTANCE OF SHARES

- a. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- b. In the event that the number of Equity Shares validly tendered by the Eligible Equity Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Eligible Equity 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 Eligible Equity Shareholder shall not be less than the minimum marketable lot, or the entire shareholding if it is less than the marketable lot. The minimum marketable lot of the Target Company is 1 Equity Share.

12. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECIEPT OF THE LETTER OF OFFER

- a. 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.
- b. A Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.
- c. The Letter of Offer will be dispatched to all the eligible equity shareholders of the Target Company.. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) 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.
- d. The Letter of Offer would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.

13. SETTLEMENT PROCESS

- a. On closure of the Offer, reconciliation for acceptances shall be conducted by the Registrar to the Offer in consultation with the Manager to the Offer and the final list of accepted Equity Shares shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.
- b. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- c. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.
- d. The direct credit of shares shall be given to the demat accounts of the Acquirer indicated by the Acquirer' Buying Broker. For the same, the existing facility of client direct payout in the capital market segment shall be available.
- e. Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the Buying Broker's pool account.
- f. In case of partial or non-acceptance of orders or excess pay-in, Shares shall be released to the securities pool account of the Selling Broker(s) / Custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.

- g. 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.

14. SETTLEMENT OF FUNDS / PAYMENT CONSIDERATION

- a. On the Offer Closing Date, reconciliation for acceptances shall be conducted by the Registrar to the Offer in consultation with the Manager to the Offer and the final list shall be provided to the BSE to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.
- b. The settlement of fund obligation for demat shares shall be effected by the Clearing Corporation. For the Equity Shares accepted under the Open Offer, the payment will be made by the Clearing Corporation to the shareholders directly to their bank account.
- c. The Acquirer will pay the consideration to the Buying Broker on or before the pay-in date for settlement, who in turn will make the funds pay-in in the settlement account of Clearing Corporation, as per the settlement schedule announced by Clearing Corporation.
- d. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Eligible Equity Shareholder will receive funds payout in their settlement bank account.
- e. The funds received from Buyer Broker by the Clearing Corporation will be released directly, to the Eligible Equity Shareholder as per secondary market pay-out mechanism.

IX. NOTE ON TAXATION

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 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) or income received or deemed to be 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. "Situs" of the shares is generally where a company is "incorporated". Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act, 1961 ("IT Act"). 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 business asset (i.e. stock-in-trade). The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates. Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below. Taxability of Capital Gain in the hands of the Eligible Equity Shareholders:

- a. The Finance Act, 2019, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the capital gains tax would be calculated on gains exceeding INR 100,000 (Indian Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any capital gains arising up to January 31, 2018 are grandfathered under this provision. 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 (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.
- b. As per section 111A of the Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Eligible Equity Shareholders (except certain specific categories).
- c. Any applicable surcharge and education cess would be in addition to above applicable rates.
- d. In case of resident Eligible Equity Shareholders, in absence of any specific provision under the IT Act, the Acquirer shall not deduct tax on the consideration payable to resident Eligible Equity Shareholders pursuant to the Offer. However, in case of non-resident Eligible Equity Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-

resident Eligible Equity Shareholders. It is therefore recommended that the non-resident Eligible Equity Shareholder may consult their custodians/authorized dealers/ tax advisors appropriately.

- e. The tax implications are based on provisions of the IT Act as applicable as on date of this Draft Letter of Offer. In case of any amendment made effective prior to the date of closure of this Offer, then the provisions of the IT Act as amended would apply. Notwithstanding the details given above, all payments will be made to the Eligible Equity Shareholders subject to compliance with prevailing tax laws. The final tax liability of the Eligible Equity Shareholder shall remain of such Eligible Equity Shareholder and the said Eligible Equity Shareholder will appropriately disclose the amounts received by it, pursuant to this Offer, before the Indian income tax authorities.

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 THE 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, THE ELIGIBLE EQUITY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY ELIGIBLE EQUITY SHAREHOLDER AS A REASON OF THIS OFFER.

X. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Eligible Equity Shareholders at the office of the Manager to the Offer situated at 2nd Floor, Wakefield House, Sprott Road, Ballard Estate, Mumbai 400 038 on all working days (i.e., Monday through Friday except Saturdays, Sundays and bank holidays in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- a. Certification of Incorporation and Memorandum and Articles of Association of the Target Company.
- b. Networth Certificate dated September 4, 2019 issued by Kamlesh Rocho Kukreja, Chartered Accountant, Eligible Equity Proprietor of K R Kukreja And Co. Chartered Accountant, having its office at Shop No. 3, Barrack No. 276, Jhulelal Mandir Road, Ulhasnagar District, Thane – 421 002. (Membership No. 160218; Firm Registration No.: 147571W) certifying the networth of Acquirer;
- c. Annual reports of the Target Company for the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019;
- d. Unaudited Financial Results for the 3-month period ended June 30, 2019;
- e. Memorandum of Understanding between Manager to the Offer i.e. Chartered Finance Management Ltd and the Acquirer.
- f. Email dated September 5, 2019 from Kotak Mahindra Bank Limited having its registered office at 27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 and acting for the purpose of this Offer through its branch situated at The Destination Building, Unit No. 002/003, M.G. Road, Next to Stopper Stop, Tilak Nagar, Chembur, Mumbai - 400089 confirming the cash deposit of ₹ 4,85,00,000 (Rupees Four Crores Eighty Five Lakhs Only) as on September 5, 2019 in the Escrow Account with a lien marked in favor of the Manager to the Offer;
- g. Due Diligence Certificate dated September 16, 2019 submitted to SEBI by Chartered Finance Management Limited, Manager to the Offer.
- h. Undertaking from the Acquirers for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all the Shareholders of the Target Company whose applications are accepted in the Open Offer.
- i. Undertaking from the Acquirers with regard to Responsibility under Regulation 2(o) and Regulation 7(4) of the Regulations.
- j. Copy of Escrow Agreement between the Acquirer, Manager to the Offer and Escrow Bank;
- k. Copy of Public Announcement dated August 29, 2019 and published copy of the Detailed Public Statement dated September 6, 2019;
- l. A copy of the Recommendations to be published on [●] made by the Board of Independent Directors of the Target Company as required in terms of Regulation 26(7) of the Regulations;
- m. Copy of the Observation Letter no [●] dated [●] issued by SEBI.

XI. DECLARATION BY THE ACQUIRER

For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company, the Acquirer has relied on the information provided by the Target Company and has not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer accepts full responsibility for the information contained in this Draft Letter of Offer and also accept responsibility for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations. The Acquirer shall be solely responsible for ensuring compliance with the SEBI (SAST) Regulations.

Acquirer

Sd/-

OMKAR PRAVIN HERLEKAR

Place: Mumbai

Date: September 16, 2019