

Draft Letter of Offer**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Letter of Offer ('LoF') is sent to you as a shareholder(s) of Servotech Engineering Industries Limited ('Target Company'). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed(s) to the Members of Stock Exchange through whom the said sale was affected.

OPEN OFFER BY**Mr. Radheshyam Lahoti ('Acquirer')**

Residing at Building No. 18, D Wing, 303, Prem Apartment, Saibaba Nagar, Borivali (W), Mumbai-400 092

Contact No.: +91 98205 22401, **E-Mail:** rslahoti@servotech-india.com

Lahoti Exports Private Limited ('LEPL'/'PAC 1')

Registered Office: 203, Chartered House, Dr. C H Street, Dhobi Talav, Near Marine Lines, Mumbai-400 002

Tel No.: +91 22 2208 6368, **Fax No.:** +91 22 2206 7131

Quality Products Marketing Private Limited ('QPMPL'/'PAC 2')

Registered Office: 203, Chartered House, Dr. C H Street, Dhobi Talav, Near Marine Lines, Mumbai-400 002

Tel No.: +91 22 2206 7241, **Fax:** +91 22 2206 7131

Mr. Ramawtar Lahoti ('PAC 3')

Residing at 142, Ajit Colony, Ratanada, Jodhpur-342 001

Contact No.: +91 94147 21465

AND**Focus Investment & Traders Private Limited ('PAC 4')**

Registered Office: 1-A, Alli Chambers, 1st Floor, Medows Street, Fort, Mumbai-400 001

Tel. No.: +91 22 2269 6178, **Fax No.:** +91 22 2265 6897

to the existing shareholders of

SERVOTECH ENGINEERING INDUSTRIES LIMITED ('SEIL'/'Target Company')

(CIN: L28933MH1994PLC081857)

Registered Office: 203, Chartered House, Dr. C H Street, Dhobi Talav, Near Marine Lines, Mumbai-400 002

Tel: +91 22 2208 6368, **Fax:** +91 22 2206 7131, **E-Mail ID:** info@servotech-india.com

To acquire upto 13,34,200 Equity Shares of ₹10 each representing 26% of the Share Capital and 32.98% of the Voting Capital of the Target Company at a price of ₹6.90 (Rupees Six and Paise Ninety only) (₹5.47 per share as per SEBI's Order and ₹1.43 being the interest @ 10% p.a.) per share ('Offer Price'), payable in cash

- This Offer is being made by the Acquirer and the PACs pursuant to Regulation 3(1) of SEBI (SAST) Regulations 2011.
- This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.
- As on date of this Letter of Offer, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Open Offer. However, the Open Offer would be subject to all the statutory approvals that may become applicable at a later date but before the completion of the Open Offer.
- If there is any upward revision in the Offer Price/Offer Size at any time up to three (3) working days prior to commencement of the Tendering Period i.e. up to June 18, 2015 (Thursday) in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement ('DPS') was published. Such revised Offer Price would be payable to all the shareholders, who have validly tendered their shares anytime during the Tendering Period to the extent their shares have been verified and accepted under the Offer, by the Acquirer and the PACs. If the Offer is withdrawn pursuant to Regulation 23 of the SEBI (SAST) Regulations, 2011, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the DPS had been published.
- **If there is a competing offer:**
The public offers under all the subsisting bids shall open and close on the same date.
- A copy of the Public Announcement ('PA'), Detailed Public Statement ('DPS') and this Letter of Offer ('LoF') (including Form of Acceptance cum Acknowledgment) are also available on the website of Securities and Exchange Board of India ('SEBI') at www.sebi.gov.in.

MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
	Mark Corporate Advisors Private Limited CIN:U67190MH2008PTC181996 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057 Telefax.: +91 22 2612 3207/08 Contact Person: Mr. Manish Gaur Email: openoffer@markcorporateadvisors.com SEBI Registration Number: INM000012128		System Support Services 89, Andheri-Kurla Road, (Next to Logitech Park, Above McDonalds), Sakinaka, Andheri (E), Mumbai-400 072, Tel No.: +91 22 2850 0835 Fax No.: +91 22 2850 1438 Contact Person: Mr. Mahendra Mehta/ Mr. Zueb Sutarwala Email: sysss72@yahoo.com / zoebsss@hotmail.com SEBI Registration Number: INR00000502
	Offer Opens on: Tuesday, June 23, 2015		Offer Closes on: Monday, July 06, 2015

TENTATIVE SCHEDULE OF ACTIVITIES PERTAINING TO THE OFFER:

Nature of Activity	Day & Date
Date of the PA	Wednesday, April 29, 2015
Date of publishing the Detailed Public Statement	Friday, May 08, 2015
Last date for filing of Draft Letter of Offer with SEBI	Friday, May 15, 2015
Last date of a competing offer	Friday, May 29, 2015
Latest date by which SEBI's observations will be received	Friday, June 05, 2015
Identified Date*	Tuesday, June 09, 2015
Last date by which the Letter of Offer will be dispatched to the Shareholders' (<i>Except the Acquirer and the PACs</i>) as on the identified date	Tuesday, June 16, 2015
Last Date for revising the Offer Price/number of shares	Thursday, June 18, 2015
Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	Friday, June 19, 2015
Date of public announcement for Opening the Offer	Monday, June 22, 2015
Date of Commencement of the Tendering Period (Offer opening date)	Tuesday, June 23, 2015
Date of Closing of the Tendering Period (Offer closing date)	Monday, July 06, 2015
Last date for communicating Rejection/acceptance and payment of consideration for accepted equity shares or equity share certificate/return of unaccepted share certificates/credit of unaccepted shares to demat account	Monday, July 20, 2015

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent. It is clarified that all the shareholders (registered or unregistered) of the Target Company (except the Acquirer and the PACs) are eligible to participate in this Offer any time during the tendering period of the Offer.*

RISK FACTORS:

Given below are the risks related to the proposed Offer and those associated with the Acquirer and the PACs:

Relating to the Proposed Offer:

- 1) This Offer is not subject to the receipt of any statutory approvals. However, in case of any such applicability on a later date and therefore, in the event that either the statutory approvals or regulatory approvals, if any, are not received in a timely manner or there is any litigation to stay the Offer, or SEBI instructs the Acquirer and the PACs not to proceed with the Offer, then the 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 of Target Company, whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirer and the PACs, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirer and the PACs for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer and the PACs agreeing to pay interest for the delayed period, if directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- 2) In case of over-subscription in the Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- 3) The Registrar to the Offer will hold in trust the dematerialized shares credited to the Demat Escrow Account, Share Certificates, Form of Acceptance, if any, and the Transfer Deed (s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the completion of the Offer formalities.
- 4) Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw their shares, even if the acceptance of equity shares under this Offer and despatch of consideration are delayed.

Relating to the Acquirer and the PACs:

- 1) The Acquirer and the PACs makes no assurance with respect to the financial performance of the Target Company and their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- 2) The Acquirer and the PACs cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly 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.
- 3) The Acquirer, the PACs and the Manager to the Offer accept no responsibility for the 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 Acquirer and the PACs, would be doing so at his / her / its own risk.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any 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.

Table of Contents

1. ABBREVIATIONS/DEFINITIONS	1
2. DISCLAIMER CLAUSE.....	3
3. DETAILS OF THE OFFER.....	3
3.1 Background of the Offer.....	3
3.2 Details of the Proposed Offer	4
3.3 Object of the Offer	5
4. BACKGROUND OF THE ACQUIRER AND THE PACs:	5
5. BACKGROUND OF THE TARGET COMPANY–SERVOTECH ENGINEERING INDUSTRIES LIMITED.....	12
6. OFFER PRICE AND FINANCIAL ARRANGEMENTS.....	16
6.1 JUSTIFICATION OF OFFER PRICE	16
6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS	17
7. TERMS AND CONDITIONS OF THE OFFER	18
7.1 OPERATIONAL TERMS AND CONDITIONS.....	18
7.2 LOCKED-IN SHARES.....	19
7.3 ELIGIBILITY FOR ACCEPTING THE OFFER	19
7.4 STATUTORY APPROVALS.....	19
8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER.....	19
9. DOCUMENTS FOR INSPECTION.....	22
10. DECLARATION BY THE ACQUIRER AND THE PACs.....	24

1. ABBREVIATIONS/DEFINITIONS

Acquirer	Mr. Radheshyam Lahoti
ASE	Ahmedabad Stock Exchange Limited, Ahmedabad
BSE	BSE Limited, Mumbai
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended or modified from time to time and the Companies Act, 2013
CP	Conditions Precedent
DP	Depository Participant
DPS / Detailed Public Statement	Detailed Public Statement relating to the Offer published on May 08, 2015 (Friday)
Draft Letter of Offer / DLoF	This Draft Letter of Offer dated May 14, 2015
Eligible Persons for the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at any time before the Closure of the Offer (<i>except the Acquirer and the PACs</i>).
Equity Shares	Fully paid-up equity shares of the Target Company of the face value of ₹10 (Rupees Ten only) each
Escrow Account	Shall have the meaning given to it in paragraph 6.2 (2) of this Letter of Offer
Escrow Amount	Shall have the meaning given to it in paragraph 6.2 (2) of this Letter of Offer
Escrow Bank	HDFC Bank Limited
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor registered with SEBI
Form of Acceptance	Form of Acceptance cum Acknowledgement, accompanying with this Letter of Offer
Identified Date	June 09, 2015 (Tuesday) i.e. date falling on the tenth (10 th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Public Shareholders to whom this Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
₹/ INR / Rs.	Indian Rupees, the legal currency of India
Manager / Manager to the Offer	Mark Corporate Advisors Private Limited
MICR	Magnetic Ink Character Recognition
MSE	Madras Stock Exchange Limited, Chennai
NA/N.A.	Not Applicable
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target Company
NRI	Non-Resident Indians
NSDL	National Securities Depositories Limited
OCBs	Overseas Corporate Bodies
Offering period	Period from the date of release of Public Announcement to the date of payment of consideration
Offer/Open Offer	The Open Offer is made by the Acquirer and the PACs to the Public Shareholders to acquire upto 13,34,200 Equity Shares, representing 26% of the Share Capital and 32.98% of the Voting Capital of Target Company
Offer Price	₹6.90 (Rupees Six and Paise Ninety only) per Equity Share
Offer Size	Upto 13,34,200 Equity Shares representing 26% of the Share Capital and 32.98% of the Voting Capital of the Target Company at a price of ₹6.90 (Rupees Six and Paise Ninety only) per equity share, aggregating to ₹92,05,980 (Rupees Ninety Two Lakhs Five Thousand and Nine Hundred and Eighty only)

PA / Public Announcement	Public Announcement of the Offer issued by Manager to the Offer, on behalf of the Acquirer and the PACs on April 29, 2015 (Wednesday)
PAC 1	Lahoti Exports Private Limited ('LEPL')
PAC 2	Quality Products Marketing Private Limited ('QPMPL')
PAC 3	Mr. Ramawtar Lahoti
PAC 4	Focus Investment & Traders Private Limited ('FITPL')
Promoters	Promoter and Promoter Group of Servotech Engineering Industries Limited as per Clause 35 of the Listing Agreement entered with Stock Exchanges
Public Shareholder(s)	The Equity Shareholder(s) of The Target Company other than the Acquirer and the PACs
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	System Support Services
RTGS	Real Time Gross Settlement
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 (SAST) Regulations, 2011/ SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
Share Capital	51,31,400 Equity Shares
Stock Exchange(s)	BSE, ASE and MSE
Target Company/SEIL	Servotech Engineering Industries Limited
Tendering Period / Offer Period	Period within which Public Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e. the period between and including June 23, 2015 (Tuesday) and July 06, 2015 (Monday)
Voting Capital	Equity Shares of the Target Company carrying voting rights as on the date preceding the date of PA

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE SHAREHOLDERS OF SERVOTECH ENGINEERING INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER AND THE PACS OR THE COMPANY WHOSE SHARES ARE 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 ACQUIRER AND THE PACS 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 THE ACQUIRER AND THE PACS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, MARK CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 14, 2015 (THURSDAY) TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACS 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 There is no transaction which triggered the Open Offer Obligation. However, Hon'ble Whole Time Member of SEBI vide Order No. WTM/RKA/CFD-DCR/05/2015 dated January 23, 2015 directed Mr. Radheshyam Lahoti ('Acquirer'), Lahoti Exports Private Limited ('PAC 1'), Quality Products Marketing Private Limited ('PAC 2'), Mr. Ramawtar Lahoti ('PAC 3'), Focus Investment & Traders Private Limited ('PAC 4') and Mr. Sitaram Lahoti to make a Public Announcement to acquire shares of the Target Company and pay interest at the rate of 10% per annum in accordance with the provisions of SEBI (SAST) Regulations, 2011. Since Mr. Sitaram Lahoti, father of Mr. Radheshyam Lahoti ('Acquirer') since expired, we have excluded him from the list of the Acquirer/PACs. This Offer is in compliance with regulation 3(1) of SEBI (SAST) Regulations, 2011.
- 3.1.2 The Acquirer and the PACs are making this Offer to acquire upto 13,34,200 Equity Shares of ₹10 each, representing 26% of the Share Capital and 32.98% of the Voting Capital of the Target Company ('Offer Size') at a price of ₹6.90 (Rupees Six and Paise Ninety only) (₹5.47 per share as per SEBI's Order and ₹1.43 being the interest @ 10% p.a.) per fully paid up Equity Share ('Offer Price'), payable in cash, subject to the terms and conditions set out in the PA, DPS and the LoF that will be sent to the shareholders of the Target Company.
- 3.1.3 This Offer will not result in change of control of the Target Company. The Acquirer and the PACs may make changes in the Board of Directors of the Target Company after the completion of the Open Offer.
- 3.1.4 There is an informal arrangement between the Acquirer and the PACs with regard to the acquisition of Shares through Open Offer.
- 3.1.5 The Acquirer and the PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3.1.6 The Acquirer and the PACs (except FITPL) are presently controlling the Target Company Upon the successful completion of all the formalities under SEBI (SAST) Regulations, 2011. The Acquirer and the PACs would continue to support the existing business of the Target Company.

3.1.7 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, 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 i.e. June 19, 2015 (Friday) in the same newspaper where the DPS was published. A copy whereof shall be sent by the Target Company to SEBI, BSE, ASE, MSE and Manager to the Offer and in case of a competing offer/s to the Manager/s to the Open Offer for every competing offer.

3.1.8 No other persons/individuals/entities are acting in concert with the Acquirer/PACs for the purpose of this Offer in terms of Regulation 2 (1) (q) of the SEBI (SAST) Regulations.

3.2 Details of the Proposed Offer

3.2.1 The PA announcing the Open Offer, under Regulation 3(1) read with Regulation 13, 14 and 15 of the SEBI (SAST) Regulations, 2011 was made on April 29, 2015 (Wednesday) and a copy was filed with SEBI and BSE Ltd, Mumbai ('BSE') on April 29, 2015 and was also sent to the Ahmedabad Stock Exchange Limited, Ahmedabad ('ASE'), Madras Stock Exchange Limited, Chennai ('MSE') (Non-Operational & de-recognised) and the Target Company at its Registered Office, on the same day i.e. April 29, 2015.

3.2.2 In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, the DPS was published on May 08, 2015 (Friday) in the following newspapers:

Publication	Language	Edition(s)
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Lakshadweep	Marathi	Mumbai

The Public Announcement and Detailed Public Statement are also available on the website of SEBI at www.sebi.gov.in.

3.2.3 Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was filed through the Manager to the Offer with SEBI and BSE and sent to ASE, MSE and the Target Company at its Registered Office.

3.2.4 The Offer is being made by the Acquirer and the PACs to the public shareholders of the Target Company, to acquire upto 13,34,200 Equity Shares representing 26% of the Share Capital and 32.98% of the Voting Capital of the Target Company at a price of ₹6.90 (Rupees Six and Paise Ninety only) per Equity Share ('Offer Price') aggregating to ₹92,05,980 (Rupees Ninety Two Lakhs Five Thousand Nine Hundred and Eighty only), payable in cash subject to the terms and conditions set out in the PA, DPS and the LoF.

3.2.5 There are 14,47,711 partly paid up Equity Shares of ₹10 each (paid-up to the extent of ₹2.50 per share). The Shareholders who are holding partly paid-up equity shares will be eligible to participate in the Offer only upon making the equity shares fully paid-up i.e. after paying the amount due on allotment along with the interest, if any. Further, there is no differential pricing for the Offer.

3.2.6 This is not a Competing Bid in terms of Regulation 20 of the SEBI (SAST) Regulations.

3.2.7 The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders. In terms of Regulation 19(1) of the SEBI (SAST) Regulations, the Acquirer and the PACs will accept those Equity Shares of the Target Company which are tendered in valid form in terms of this Offer upto a maximum of 13,34,200 Equity Shares representing 26% of the Share Capital and 32.98% of the Voting Capital of the Target Company.

3.2.8 The Acquirer and the PACs have not acquired any shares of the Target Company after the date of PA i.e. April 29, 2015 (Wednesday) up to the date of this LoF.

- 3.2.9 As on date, the Manager to the Offer, Mark Corporate Advisors Private Limited does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.2.10 The Equity Shares of the Target Company acquired by the Acquirer and the PACs shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.11 Pursuant to completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will not fall below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended and the Listing Agreement.

3.3 Object of the Offer

- 3.3.1 This Offer is being made to the public shareholders of Target Company pursuant to the Order no. WTM/RKA/CFD-DCR/05/2015 dated January 23, 2015 of the Hon'ble Whole Time Member of SEBI against the Acquirer and the PACs.
- 3.3.2 The Acquirer along with PACs (except FITPL) is currently controlling the management of the Target Company and reserves the right to modify the present structure of the business in a manner which is beneficial to the larger interest of the shareholders.
- 3.3.3 The Acquirer and the PACs does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The 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 SEBI (SAST) Regulations, 2011.

4. BACKGROUND OF THE ACQUIRER AND THE PACs:

4.1 Information about Mr. Radheshyam Lahoti ('Acquirer')

- 4.1.1. Mr. Radheshyam Lahoti, S/o Late Shri Sitaram Lahoti, aged 60 years, residing at Building No. 18, 'D' Wing, 303, Prem Apartment, Saibaba Nagar, Borivali (W), Mumbai-400 092, Contact No.: +91 98205 22401, Email: rslahoti@servotech-india.com is a M.Com (Previous) from Jodhpur University. His Permanent Account Number (PAN) is AAAPL2939F.
- 4.1.2. The Acquirer has an experience of more than four decades in Exports business and Chemical items.
- 4.1.3. The Acquirer is not part of any group.
- 4.1.4. As on date, the Acquirer holds 2,35,108 Equity Shares (including 500 Equity Shares of Mr. Sitaram Lahoti which is under transmission) (4.58% of the Share Capital and 5.81% of the Voting Capital) in the Target Company.
- 4.1.5. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or any other regulations made under the SEBI Act.
- 4.1.6. The Net Worth of Mr. Radheshyam Lahoti is ₹61,31,079 (Rupees Sixty One Lakhs Thirty One Thousand and Seventy Nine only) as on March 05, 2015 as certified vide certificate dated March 05, 2015 issued by Mr. Amit V Mody (Membership No. 102706) partner of M/s Amit & Disha Associates, Chartered Accountants (FRN: 119350W) having office at 14, Chitalia House, 1st Floor, 274, Dr. Cowasji Hormusji Street, Mumbai-400 002, Tel. No.: +91 22 2201 7170, Email: avmdsc@rocketmail.com.
- 4.1.7. The major entities promoted/controlled/managed by Mr. Radheshyam Lahoti is as under:

Sr. No.	Name of the Company	Current Designation
1)	Lahoti Exports Private Limited	Director

Sr. No.	Name of the Company	Current Designation
2)	Ultracut Tools Private Limited	Director

Note: None of the above entities are listed on any Stock Exchanges.

4.2 Information about Lahoti Exports Private Limited ('LEPL')/'PAC 1')

4.2.1 LEPL is a private limited company incorporated on June 05, 1991, under the provisions of the Companies Act, 1956. The Corporate Identity Number (CIN) of LEPL is U52320MH1991PTC061957. There has been no change in the name of the company since incorporation.

4.2.2 LEPL is engaged in the business of export & import of engineering goods, garments, agro based items, etc. However, no activities are carried on since past two years.

4.2.3 The registered office of LEPL is situated at 203, Chartered House, Dr. C H Street, Near Marine Lines Church, Mumbai-400 002, Tel No.: +91 22 2208 6368, Fax: +91 22 2206 7131.

4.2.4 The person in control of PAC 1 is Mr. Radheshyam Lahoti ('Acquirer').

4.2.5 LEPL is not a part of any group.

4.2.6 As on date, LEPL holds 3,65,600 Equity Shares (7.12% of Share Capital and 9.04% of the Voting Capital) in the Target Company.

4.2.7 The shares of LEPL are not listed on any stock exchange.

4.2.8 LEPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.2.9 The Shareholding Pattern of LEPL as on date is as under:

Sr. No.	Name of the Shareholder	No of Shares held	% of Shares
1)	Mr. Murli Manohar Lahoti	18,300	8.30%
2)	Mr. Nilesh Kumar Lahoti	6,550	6.55%
3)	Mr. Radheshyam Lahoti	10,250	10.25%
4)	Mr. Radheshyam Lahoti (HUF)	16,800	6.80%
5)	Mr. Ramawtar Lahoti	8,100	8.10%
6)	M Power India Private Limited	40,000	40.00%
	TOTAL	1,00,000	100.00%

The Face Value of the Equity shares of LEPL is ₹100 each.

4.2.10 The Details of the Board of Directors as on date is as under:

Sr. No.	Name of the Director & DIN	Address	Date of Appointment
1)	Mr. Nilesh Kumar Lahoti DIN: 00755193	Building No. 18, 'D' Wing, 303, Prem Apartment, Saibaba Nagar, Borivali (W), Mumbai-400 092	January 19, 2000
2)	Mr. Radheshyam Lahoti DIN: 00755363		September 28, 1997

4.2.11 The key financial information of the LEPL based on the certified unaudited financials for the nine months period ended December 31, 2014 and Audited Financial Statements for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012 are as follows:

Profit & Loss Statement:

(Amount in Lakhs)

Particulars	Nine months period ended December 31, 2014	FY ended 2013-2014	FY ended 2012-2013	FY ended 2011-2012
	(Unaudited)	(Audited)	(Audited)	(Audited)
Income from Operations	-	-	-	-
Other Income	-	-	2.53	1.94
Total Income	-	-	2.53	1.94
Total Expenditure	0.03	0.49	0.82	1.11
Profit before Depreciation, Interest and Tax	(0.03)	(0.49)	1.71	0.83
Depreciation	-	-	-	-
Interest and Financial Charges	0.01	-	0.03	0.01
Exceptional Item	-	-	-	-
Profit before Tax	(0.04)	(0.49)	1.68	0.82
Tax Expenses	-	-	0.11	0.14
Profit after Tax	(0.04)	(0.49)	1.57	0.68

Balance Sheet Statement:

(Amount in Lakhs)

Particulars	As at December 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
	(Unaudited)	(Audited)	(Audited)	(Audited)
Sources of Funds:				
Paid up Share Capital	100.00	100.00	100.00	100.00
Reserves & Surplus (Excluding Revaluation Reserve)	1.96	2.00	2.50	0.93
Less: Miscellaneous Expenditure	-	-	-	-
Net Worth	101.96	102.00	102.50	100.93
Non- Current Liabilities	-	-	-	2.01
Current Liabilities	0.64	0.64	0.46	0.58
Total	102.60	102.64	102.96	103.52
Uses of Funds:				
Non- Current Assets	96.98	95.03	88.16	97.72
Current Assets, Loans and Advances	5.62	7.61	14.80	5.80
Total	102.60	102.64	102.96	103.52

Other Financial Data:

(Amount in Lakhs except EPS)

Particulars	For Nine months period ended December 2014	FY 2013-14	FY 2012-13	FY 2011-12
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total Revenue	-	-	2.53	1.94
Net Profit/Loss	(0.04)	(0.49)	1.57	0.68
Paid Up Capital	100.00	100.00	100.00	100.00
Earnings Per Share (Basic) (In ₹)	Negative	Negative	1.57	0.68
Earnings Per Share (Diluted) (In ₹)	Negative	Negative	1.57	0.68
Net Worth	101.96	102.00	102.50	100.93

(Source: Certified Unaudited Financials for nine months period ended December 31, 2014 and Annual Reports for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012).

4.3 **Quality Products Marketing Private Limited ('QPMPL'/'PAC 2')**

- 4.3.1 QPMPL is a private limited company incorporated on September 29, 1987, under the provisions of the Companies Act, 1956. The Corporate Identity Number (CIN) of QPMPL is U51900MH1987PTC044823. There has been no change in the name of the company since incorporation.
- 4.3.2 QPMPL is engaged in the business of trading of engineering goods, garments, agro based items, etc. However, no activities are carried on since past two years.
- 4.3.3 The registered office of QPMPL is situated at 203, Chartered House, Dr. C H Street, Near Marine Lines Church, Mumbai-400 002, Tel No.: +91 22 2206 7241, Fax: +91 22 2206 7131.
- 4.3.4 The person in control of PAC 2 is Mr. Ramawtar Lahoti ('PAC3').
- 4.3.5 QPMPL is not a part of any group.
- 4.3.6 As on date, QPMPL holds 2,92,800 Equity Shares (5.71% of Share Capital and 7.24% of the Voting Capital) in the Target Company.
- 4.3.7 The shares of QPMPL are not listed on any stock exchange.
- 4.3.8 QPMPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or any other regulations made under the SEBI Act.
- 4.3.9 The Shareholding Pattern of QPMPL as on date is as under:

Sr. No.	Name of the Shareholder	No of Shares held	% of Shares
1)	Mr. Murli Manohar Lahoti	17,350	7.35%
2)	Mr. Ramawtar Lahoti	8,800	8.80%
3)	Mr. Radheshyam Lahoti	10,850	10.85%
4)	Mr. Indira Devi Lahoti	16,750	16.75%
5)	Mr. Radheshyam Lahoti (HUF)	16,250	6.25%
6)	M Power India Private Limited	30,000	30.00%
	TOTAL	1,00,000	100.00%

The Face Value of the Equity shares of LEPL is ₹100 each.

- 4.3.10 The Details of the Board of Directors as on date is as under:

Sr. No.	Name of the Director & DIN	Address	Date of Appointment
1)	Mr. Ramawtar Lahoti DIN: 00755163	142, Ajit Colony, Ratanada, Jodhpur-342 001	October 01, 1987
2)	Mr. Murli Manohar Lahoti DIN: 02570480	Building No. 18, 'D' Wing, 303, Prem Apartment, Saibaba Nagar, Borivali (W), Mumbai-400 092	October 07, 1999

- 4.3.11 The key financial information of the QPMPL based on the certified unaudited financials for the nine months period ended December 31, 2014 and Audited Financial Statements for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012 are as follows:

Profit & Loss Statement:

(Amount in Lakhs)

Particulars	Nine months period ended December 31, 2014	FY ended 2013-2014	FY ended 2012-2013	FY ended 2011-2012
	(Unaudited)	(Audited)	(Audited)	(Audited)
Income from Operations	-	-	-	-
Other Income	-	-	1.75	1.55
Total Income	-	-	1.75	1.55

Particulars	Nine months period ended December 31, 2014	FY ended 2013-2014	FY ended 2012-2013	FY ended 2011-2012
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total Expenditure	0.33	0.33	0.59	0.66
Profit before Depreciation, Interest and Tax	(0.33)	(0.33)	1.16	0.89
Depreciation	-	-	-	-
Interest and Financial Charges	0.01	0.01	0.03	0.01
Exceptional Item	-	-	-	-
Profit before Tax	(0.34)	(0.34)	1.12	0.88
Tax Expenses	-	0.14	0.26	0.14
Profit after Tax	(0.34)	(0.49)	0.86	0.74

Balance Sheet Statement:

(Amount in Lakhs)

Particulars	As at December 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
	(Unaudited)	(Audited)	(Audited)	(Audited)
Sources of Funds:				
Paid up Share Capital	100.00	100.00	100.00	100.00
Reserves & Surplus (Excluding Revaluation Reserve)	(2.84)	(2.50)	(2.01)	(2.87)
Less: Miscellaneous Expenditure	-	-	-	-
Net Worth	97.16	97.50	97.99	97.13
Non- Current Liabilities	-	-	-	-
Current Liabilities	0.91	0.58	19.48	55.11
Total	98.07	98.08	117.48	152.24
Uses of Funds:				
Non- Current Assets	96.90	96.90	116.40	94.40
Current Assets, Loans and Advances	1.17	1.18	1.08	57.84
Total	98.07	98.08	117.48	152.24

Other Financial Data:

(Amount in Lakhs except EPS)

Particulars	For Nine months period ended Dec' 2014	FY 2013-14	FY 2012-13	FY 2011-12
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total Revenue	Nil	Nil	1.75	1.55
Net Profit/Loss	(0.34)	(0.49)	0.86	0.74
Paid Up Capital	100.00	100.00	100.00	100.00
Earnings Per Share (Basic) (In ₹)	Negative	Negative	0.86	0.74
Earnings Per Share (Diluted) (In ₹)	Negative	Negative	0.86	0.74
Net Worth	97.16	97.50	97.99	97.13

(Source: Certified Unaudited Financials for nine months period ended December 31, 2014 and Annual Reports for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012)

4.4 Information about Mr. Ramawtar Lahoti ('PAC 3')

4.4.1.Mr. Ramawtar Lahoti ('PAC 3'), S/o Late Shri Sitaram Lahoti, aged 58 years, residing at 142, Ajit Colony, Ratanada, Jodhpur-342 001, Contact No.: +91 94147 21465, is an Under Graduate. His Permanent Account Number (PAN) is AABPL1986B.

4.4.2.PAC 3 has an experience of two (2) decades in trading of Engineering Goods.

4.4.3.PAC 3 is not part of any group.

4.4.4.As on date, the PAC 3 holds 60,100 Equity Shares (1.17% of the Share Capital and 1.49% of the Voting Capital) in the Target Company.

4.4.5.The PAC 3 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.4.6.The Net worth of Mr. Ramawtar Lahoti is ₹18,83,155 (Rupees Eighteen Lakhs Eighty Three Thousand One Hundred and Fifty Five only) as on March 05, 2015 as certified vide certificate dated March 05, 2015 issued by Mr. Amit V Mody (Membership No. 102706) partner of M/s Amit & Disha Associates, Chartered Accountants (FRN: 119350W) having office at 14, Chitalia House, 1st floor, 274-Dr. Cowasji Hormusji Street, Mumbai-400 002 Tel. No.: +91 22 2201 7170; Email: avmdsc@rocketmail.com

4.4.7.The other entity promoted/controlled/managed by Mr. Ramawtar Lahoti is Quality Products Marketing Private Limited ('PAC 2').

4.5 Focus Investment & Traders Private Limited ('FITPL')/'PAC 4')

4.5.1.FITPL is a private limited company incorporated on January 08, 1990, under the provisions of the Companies Act, 1956. The Corporate Identity Number (CIN) of LEPL is U65990MH1990PTC054922. There has been no change in the name of the company since incorporation.

4.5.2.Focus Investment & Traders Private Limited ('FITPL') is a PAC only for the limited purpose for the compliance of SEBI's Order No. WTM/RKA/CFD-DCR/05/2015 dated January 23, 2015. Neither, FITPL intends to acquire any shares in the Open Offer nor willing to meet any type of financial commitment arisen on this account. Post Offer, FITPL shall not be categorized as part of Promoter Group of the Target Company.

4.5.3.FITPL is engaged in the business of trading in Shares.

4.5.4.The registered office of FITPL is situated at 1-A, Alli Chambers, 1ST Floor, Meadows Street, Fort, Mumbai-400 001, Tel No.: +91 22 2269 6178, Fax: +91 22 2265 6897.

4.5.5.The directors/shareholders of FITPL as on date are as under:

Sr. No.	Name of the Directors/Shareholders	No of Shares held	% to the total paid up capital
1)	Mr. Chandraprakash Khandelwal	82,570	33.35%
2)	Mr. Naresh Khandelwal	82,500	33.32%
3)	Mr. Purshottam Khandelwal	82,500	33.33%
	TOTAL	2,47,570	100.00%

4.5.6.The persons in control of PAC 4 are Mr. Chandraprakash Khandelwal, Mr. Naresh Khandelwal and Mr. Purshottam Khandelwal.

4.5.7.FITPL is not a part of any group.

4.5.8.As on date, FITPL holds 1,15,300 Equity Shares (2.25% of Share Capital and 2.85% of the Voting Capital) in the Target Company.

4.5.9.The shares of FITPL are not listed on any Stock Exchange(s).

4.5.10. FITPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.5.11. The key financial information of the FITPL based on the *extracts of the financials for the year ended March 31, 2014, March 31, 2013, March 31, 2012* downloaded from the MCA website are as under:

Profit & Loss Statement:

(Amount in Lakhs)

Particulars	FY ended 2013-2014	FY ended 2012-2013	FY ended 2011-2012
	(Audited)	(Audited)	(Audited)
Income from Operations	8.99	31.28	-
Other Income	-	0.30	0.77
Total Income	8.99	31.58	0.77
Total Expenditure	11.91	30.87	0.22
Profit before Depreciation, Interest and Tax	(2.92)	0.71	0.55
Depreciation	-	-	-
Interest and Financial Charges	-	-	-
Exceptional Item	-	-	-
Profit before Tax	(2.92)	0.71	0.55
Tax Expenses	-	0.10	0.07
Profit after Tax	(2.92)	0.61	0.48

Balance Sheet Statement:

(Amount in Lakhs)

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
	(Audited)	(Audited)	(Audited)
Sources of Funds			
Paid up Share Capital	24.76	24.76	24.76
Reserves & Surplus (Excluding Revaluation Reserve)	50.14	53.06	52.45
Less: Miscellaneous Expenditure	-	-	-
Net Worth	74.90	77.82	77.21
Non- Current Liabilities	-	-	-
Current Liabilities	0.08	0.18	9.08
Total	74.98	78.00	86.29
Uses of Funds			
Non- Current Assets	15.95	15.94	80.37
Current Assets, Loans and Advances	59.03	62.06	5.92
Total	74.98	78.00	86.29

Other Financial Data:

(Amount in Lakhs except EPS)

Particulars	FY 2013-14	FY 2012-13	FY 2011-12
	(Audited)	(Audited)	(Audited)
Total Revenue	8.99	31.58	0.77
Net Profit/Loss	(2.92)	0.61	0.48
Paid Up Capital	24.76	24.76	24.76
Earnings Per Share (Basic) (In ₹)	Negative	0.25	0.19
Earnings Per Share (Diluted) (In ₹)	Negative	0.25	0.19
Net Worth	74.90	77.82	77.21

Note: The unaudited financials for the period ended December 31, 2014 are not available.

(Source: Extracts of the financials for the year ended March 31, 2012, March 31, 2013, March 31, 2014 downloaded from the MCA website).

- 4.6 The Acquirer and the PACs who are part of Promoter/Promoter Group of the Target Company have not complied with Chapter II of the SEBI (SAST) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations, 2011 on few occasions. SEBI may initiate appropriate actions against them for such non-compliances.
- 4.7 Mr. Radheyshyam Lahoti ('Acquirer') is the elder brother of Mr. Ramawtar Lahoti ('PAC 3') and a Promoter/Director of Lahoti Exports Private Limited ('PAC 1'). Mr. Ramawtar Lahoti ('PAC 3') is a Promoter/Director of Quality Products Marketing Private Limited ('PAC 2').

4.8 One of the Companies mentioned under 4.1.7 above namely Ultracut Tools Private Limited is not participating or interested or acting in concert in this Open Offer.

4.9 Neither the Acquirer/PACs or any of the Company, with which the Acquirer or the PACs are associated with, are in Securities related business and registered with SEBI as a Market Intermediary.

4.10 As on date, the Acquirer is the Managing Director of the Target Company whereas PAC 3 is a Director of the Target Company.

5. BACKGROUND OF THE TARGET COMPANY–SERVOTECH ENGINEERING INDUSTRIES LIMITED

5.1 The Target Company, Servotech Engineering Industries Limited, bearing CIN L28933MH1994PLC081857 was incorporated on October 07, 1994 in the State of Maharashtra under the Companies Act, 1956. There has been no change in the name of the Company during the last three years.

5.2 The Registered Office of the Target Company is situated at 203, Chartered House, Dr. C H Street, Dhobi Talav, Near Marine Lines, Mumbai-400 002.

5.3 The Target Company is mainly engaged in the business of trading of machinery and equipment's used for solvent extraction like edible oil, etc.

5.4 The Authorized Share Capital of the Target Company is ₹6,00,00,000 comprising of 60,00,000 Equity Shares of ₹10 each. The Subscribed Capital is 51,31,400 Equity shares, whereas the paid-up equity share capital is ₹404.56 Lakhs comprising of 36,83,689 fully paid up equity shares of ₹10 each and 14,47,711 partly paid up Equity Shares of ₹10 each (paid-up to the extent of ₹2.50 per share).

5.5 Share Capital Structure:

The Share capital structure of the Target Company is as follows:

Paid-up Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity Shares	36,83,689/36,83,689	71.79%/91.05%
Partly Paid-up Equity Shares	14,47,711/3,61,928	28.21%/8.95%
Total Paid-up Equity Shares	51,31,400/40,45,617	100%/100%

5.6 The Target Company has delayed in compliance with regulation 8(3) of SEBI (SAST) Regulations, 1997 in the year 2015. SEBI may initiate appropriate actions against the Target Company for such non-compliances.

5.7 The Equity shares of the Target Company are listed on BSE Limited, Mumbai ('BSE'), Ahmedabad Stock Exchange Limited, Ahmedabad ('ASE') and Madras Stock Exchange Limited, Chennai ('MSE') (de-recognized and Non-operational). However, the Trading in the Equity Shares of the Target Company were suspended on BSE for Non-Compliance of various clauses of the Listing Agreement and the same was revoked w.e.f. May 02, 2012. The Company has paid the listing fees to BSE for FY 2015-2016.

5.8 As on date, the Target Company is fully compliant with the listing requirements and there has not been any non-listing of equity shares on any of the stock exchanges where it is listed.

5.9 Details of the Board of Directors of Target Company:

As on the date of the Letter of Offer, the Directors representing the Board of the Target Company are:

Sr. No.	Name of the Director, DIN, PAN & Designation	Address of Director	Date of Appointment	Experience	No of Shares held in the TC
1.	Mr. Radheshyam Lahoti	Building No. 18, 'D' Wing, 303, Prem Apartment,	October 07, 1994	Four (4) decades in Exports business and Chemical items	2,35,108 [#]

Sr. No.	Name of the Director, DIN, PAN & Designation	Address of Director	Date of Appointment	Experience	No of Shares held in the TC
	DIN: 00755363 PAN: AAAPL2939F Designation: Promoter/Managing Director	Saibaba Nagar, Borivali (W), Mumbai-400 092			
2.	Mr. Ramawtar Lahoti DIN: 00755163 PAN: AABPL1986B Designation: Director	142, Ajit Colony, Ratanada, Jodhpur-342 001	October 07, 1994	Two (2) decades in trading of Engineering Goods	60,100
3.	Mr. Narendra Ramesh Chandra Gupta DIN: 00535619 PAN: AABPG3218K Designation: Independent Director	Premesh, 6B, Turner Road, Bandra (W), Mumbai-400 050	October 07, 2010	Trading of Engineering Goods	NIL
4.	Mr. Rohit Talakchand Doshi DIN: 01029100 PAN: AABPD7233R Designation: Independent Director	301-301A, Giriraj Apartment, Factory Lane, 3 rd Floor, Opp.. M. K. High School, Borivali (W), Mumbai-400 092	October 15, 2003	In the field of Accounts, Banking and Taxation	NIL
5.	Mr. Jitendra Bhushan Garg DIN: 03616286 PAN: AAOPG7918R Designation: Independent Director	C-1401, Panchasheel Height, Mahaveer Nagar, Kandivali-(West), Mumbai-400 067	October 07, 2008	15 years of Experience in the field of Accounts	NIL
6.	Mrs. Jyoti Vikas Kasat DIN: 07143575 PAN: ANFPK3936M Designation: Professional Additional Director	K-3/9/10, Vishnu Mandir Society, Bangur Nagar, Goregaon (West), Mumbai-400 090	March 30, 2015	NIL	NIL

* Since Mr. Sitaram Lahoti has expired, his holding of 500 Equity shares in the Target Company is under transmission to Mr. Radheshyam Lahoti.

5.10 The key financial information of the SEIL based on the certified unaudited financials for the nine months period ended December 31, 2014 and Audited Financial Statements for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012 are as follows:

Profit & Loss Statement:

(Amount in Lakhs)

Particulars	Nine months period ended December 31, 2014	FY ended 2013-2014	FY ended 2012-2013	FY ended 2011-2012
	(Unaudited)	(Audited)	(Audited)	(Audited)
Income from Operations	-	390.86	644.12	429.31
Other Income	-	-	0.11	7.61
Total Income	-	390.86	644.23	436.92
Total Expenditure	6.85	398.56	673.53	459.09
Profit before Depreciation, Interest and Tax	(6.85)	(7.70)	(29.30)	(22.18)
Depreciation	0.09	0.21	-	-
Interest and Financial Charges	-	0.08	-	-
Exceptional Item	-	-	-	-
Profit before Tax	(6.94)	(7.99)	(29.30)	(22.18)
Tax Expenses	-	-	-	-
Profit after Tax	(6.94)	(7.99)	(29.30)	(22.18)

Balance Sheet Statement:

(Amount in Lakhs)

Particulars	As at Dec' 14	As at Mar' 14	As at Mar' 13	As at Mar' 12
	(Unaudited)	(Audited)	(Audited)	(Audited)
Sources of Funds:				
Paid up Share Capital	404.56	404.56	404.56	404.56
Reserves & Surplus (Excluding Revaluation Reserve)	(364.07)	(357.14)	(349.15)	(319.85)
Less: Miscellaneous Expenditure	-	-	-	-
Net Worth	40.49	47.42	55.41	84.71
Non- Current Liabilities	-	-	-	1.00
Current Liabilities	403.19	390.91	452.20	772.67
Total	443.68	438.33	507.61	858.38
Uses of Funds:				
Non- Current Assets	39.72	34.31	8.52	18.85
Current Assets, Loans and Advances	403.96	404.02	499.09	839.53
Total	443.68	438.33	507.61	858.38

Other Financial Data:

(Amount in Lakhs except EPS)

Particulars	For Nine months period ended Dec' 2014	FY 2013-14	FY 2012-13	FY 2011-12
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total Revenue	-	390.86	644.23	436.92
Net Profit/Loss	(6.94)	(7.99)	(29.30)	(22.18)
Paid Up Capital	404.56	404.56	404.56	404.56
Earnings Per Share (Basic) (In ₹)	Negative	Negative	Negative	Negative
Earnings Per Share (Diluted) (In ₹)	Negative	Negative	Negative	Negative
Net Worth	40.49	47.42	55.41	84.71

(Source: Certified Unaudited Financials for nine months period ended December 31, 2014 and Annual Reports for the financial year ended March 31, 2014, March 31, 2013 and March 31, 2012)

5.11 Pre and Post-Offer Shareholding Pattern of the Target Company as on date of LoF are as follows:

Shareholders' Category	Shareholding & Voting Rights prior to the agreement/acquisition and offer		Shares /voting rights agreed to be acquired which triggered off the Regulations		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.	% of Voting Capital	No.	% of Voting Capital	No.	% of Voting Capital	No.	% of Voting Capital
1) Promoters/ Promoter Group								
a) Parties to Open Offer								
Mr. Radheshyam Lahoti	2,35,108*	5.81	Nil	Nil	13,34,200	32.98	22,87,808	56.55
Lahoti Exports Pvt. Ltd	3,65,600	9.04	Nil	Nil				
Quality Products Marketing Pvt. Ltd.	2,92,800	7.24	Nil	Nil				
Mr. Ramawtar Lahoti	60,100	1.48	Nil	Nil				
Focus Investment & Traders Pvt. Ltd.	1,15,300	2.85	Nil	Nil	Nil	Nil	Nil [#]	Nil [#]
Total (a)	10,68,908	26.42	Nil	Nil	13,34,200	32.98	22,87,808	56.55
b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 1 (a+b)	10,68,908	26.42	Nil	Nil	13,34,200	32.98	22,87,808	56.55
2) Public (other than Acquirer & PACs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) FIs/MFs/FIIs/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Others	29,76,709	73.58	Nil	Nil	(13,34,200)	(32.98)	17,57,809 [^]	43.45
Total 2 (a+b)	29,76,709	73.58	Nil	Nil	(13,34,200)	(32.98)	17,57,809[^]	43.45
GRAND TOTAL (1+2)	40,45,617	100.00	Nil	Nil	Nil	Nil	40,45,617	100.00

* includes 500 Equity Shares of Late Sitaram Lahoti, which is under transmission.

[#] It will be categorized as Public.

[^] Includes Shares held by Focus Investment & Traders Pvt. Ltd.

Working of Voting Capital:

Particulars	No. of Shares	Voting Rights
Fully Paid-up shares	36,83,689	36,83,689
Partly Paid-up Shares	14,47,711	3,61,928
Total Share Capital	51,31,400	40,45,617

Note: Total Number of Public Shareholders as on date is 3320.

5.12 Details of Compliance Officer:

Mr. Gajadhar Gaur
501, Triveni Krupa, Carter Road No. 3,
Opp. Ambe Mata Temple,
Borivali (East),
Mumbai-400 066
Tel. No.: +91 22 3733 5800
E-mail ID: gajadhar@servotech-india.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 The Equity Shares of the Target Company are presently listed on BSE Ltd (BSE) having a scrip code of 531944, Ahmedabad Stock Exchange Limited (ASE) and Madras Stock Exchange Limited (MSE) (de-recognized and Non-operational). The Equity Shares of SEIL are not frequently traded on BSE during the twelve (12) calendar months preceding the month in which PA was made as set out under Regulation 2(1) (j) of SEBI (SAST) Regulations.

6.1.2 The annualized trading turnover of the equity shares of the Target Company during Twelve calendar months preceding the month of PA (April' 2014-March' 2015) on the Stock Exchange on which the equity shares of the Target Company is most frequently traded is detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of PA	Total No. of Equity Shares listed	Annualized trading turnover (as % of total number of listed shares)
BSE Ltd	70,230	51,31,400	1.37%

(Source: www.bseindia.com)

6.1.3 The Offer Price of ₹6.90 (Rupees Six and Paise Ninety Only) (₹5.47 per share as per SEBI's Order and ₹1.43 being the interest @ 10% p.a.) is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations on the basis of the following:

Sr. No.	Particulars		Amount (In. ₹)	
a)	Negotiated Price as per SPA	:	Not Applicable	
b)	The volume-weighted average price paid or payable for acquisition whether by the Acquirers or PACs, during 52 weeks preceding the date of PA	:	Not Applicable	
c)	The highest price paid or payable for any acquisition, whether by the Acquirers or PACs , during 26 weeks preceding the date of the PA	:	Not Applicable	
d)	The volume-weighted average market price of Equity shares of the Target Company for a period of sixty trading days immediately preceding the date of public announcement as traded on BSE, being the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period , the shares being infrequently traded	:	3.38	
e)	As per the Order No. WTM/RKA/CFD-DCR/05/2015 dated January 23, 2015 of Hon'ble Whole Time Member of SEBI	:	5.47	
f)	Other Financial Parameters as at:		31.03.2014	31.12.2014
	(i.) Return on Net Worth	:	Negative	Negative
	(ii.) Book Value Per Share	:	1.17	1.00
	(iii.) Earnings Per Share (Diluted)	:	Negative	Negative

Note: The Trading data has been taken from BSE's website www.bseindia.com.

6.1.4 In view of the parameters considered and presented in the table above and in the opinion of the Acquirer, the PACs and Manager to the Offer, the Offer Price of ₹6.90 (Rupees Six and Paise Ninety only) (₹5.47 per share as per SEBI's Order and ₹1.43 being the interest @ 10% p.a. from December 19, 2012) per share is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations.

6.1.5 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

6.1.6 In the event of further acquisition of Equity Shares of the Target Company by the Acquirer and the PACs during the Offer Period, at a price higher than the Offer Price, then the Offer Price will stand revised equal to or more than the highest price paid for such acquisition in terms of regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and the PACs will not be acquiring any Equity Shares of the Target

Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

6.1.7 If the Acquirer and the PACs acquire Equity Shares of the Target Company during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, then they will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty (60) 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 whether by way of bulk deals, block deals or in any other form.

6.1.8 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 Acquirer and the PACs are permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. If there is any such upward revision in the Offer Price by the Acquirer and the PACs or in the case of withdrawal of Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirer and the PACs for all the shares validly tendered in the Offer.

6.1.9 In the event that the number of Equity Shares validly tendered by the Public Shareholders of the Target Company under the Offer is higher than the Offer Size, the Equity Shares received from the public shareholders shall be accepted on a proportionate basis, in consultation with the Manager to the Offer.

6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS

6.2.1 The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 13,34,200 Equity Shares at a price of ₹6.90 (Rupees Six and Paise Ninety only) per Equity Share is ₹92,05,980 (Rupees Ninety Two Lakhs Five Thousand Nine Hundred and Eighty only) (**“Maximum Consideration”**).

6.2.2 In accordance with regulation 17(4) of SEBI (SAST) Regulations, 2011, the Acquirer has opened a Cash Escrow Account under the name and style of “SEIL-Open Offer-Cash Escrow Account” (‘Escrow Account’) with HDFC Bank Limited, Manekji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai-400 001 (‘Escrow Banker’) bearing account number 00600350136868 and made a cash deposit of ₹30,00,000 (Rupees Thirty Lakhs Only) in the account, being more than 25% of the Maximum Consideration. The Acquirer has authorized the Manager to the Offer to operate and realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011. The cash deposit in the Escrow Account has been confirmed by the Escrow Banker vide the statement of account/Certificate dated April 28, 2015.

6.2.3 The Acquirer and the PACs have empowered the Manager to the Offer i.e. Mark Corporate Advisors Private Limited to operate and to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

6.2.4 The Acquirer and the PACs have adequate financial resources and have made firm financial arrangements for the implementation of the Open Offer. No funds are borrowed from banks or financial institution for the purpose of this Offer by the Acquirer or the PACs. Mr. Amit V Mody (Membership No. 102706) partner of M/s Amit & Disha Associates, Chartered Accountants (FRN: 119350W) having office at 14, Chitalia House, 1st Floor, 274-Dr. Cowasji Hormusji Street, Mumbai-400 002, Tel. No.: +91 22 2201 7170; Email: avmdsc@rocketmail.com vide certificate dated April 29, 2015, have confirmed and certified that they have sufficient resources for fulfilling the obligations under this ‘Offer’ in full.

6.2.5 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer and the PACs and to implement the offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that the funds / money are in place to fulfill the Open Offer obligations.

6.2.6 In case of any upward revision in the Offer Price or the Offer Size, the value of the Escrow Amount shall be computed on the revised consideration calculated at such revised Offer Price or Offer Size and any additional amounts required will be funded via cash in the Escrow Account by the Acquirer and the PACs

(except FITPL) prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

- 7.1.1 This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.
- 7.1.2 The Offer is subject to the terms and conditions set out in this LoF, 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 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. June 09, 2015 (Tuesday). 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 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. July 06, 2015 (Monday). 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 receipt of the statutory and other approvals as mentioned under paragraph 'Statutory Approvals' 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 The Public Shareholders who tender their Equity Shares under the Open Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter.
- 7.1.9 The Acquirer/PACs will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.10 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 the free transferability of such equity shares tendered under the Offer are not received prior to the date of Closing of the Offer.
- 7.1.11 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.12 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance.

7.2 LOCKED-IN SHARES

As on date, the Target Company does not have any Equity Shares under lock-in period.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

All the shareholders (registered or unregistered) of the Target Company (except the Acquirer and the PACs) who own Shares any time before the Date of Closure of the Offer, i.e. July 06, 2015 (Monday) is eligible to participate in the Offer.

7.4 STATUTORY APPROVALS

7.4.1 As of date, to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required to implement the Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer and the PACs shall make the necessary applications for such approval.

7.4.2 As on date, no statutory approvals other than as stated above are required to be obtained for the purpose of this Offer.

7.4.3 If any statutory or other approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory or other approvals. The Acquirer and the PACs will not proceed with the Offer in the event that such statutory or other approvals becoming applicable prior to completion of the Offer are finally refused in terms of regulation 23 of SEBI (SAST) Regulations, 2011. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has been published.

7.4.4 In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Offer, SEBI has the power to grant extension of time to the Acquirer and the PACs for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer and the PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011. Provided where the statutory approvals extend to some but not all equity shareholders, the Acquirer and the PACs have the option to make payment to such shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer. Further, in case the delay occurs on account of willful default by the Acquirer and the PACs in obtaining any statutory approvals in time, the amount lying in the Escrow Account will be liable to be forfeited and dealt with in the manner provided in clause (e) of sub-regulation (10) of Regulation 17 of SEBI (SAST) Regulations, 2011.

7.4.5 No approval is required from any bank or financial institutions for this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

8.1 The Acquirer and the PACs have appointed System Support Services as the Registrar to the Offer.

8.2 The Registrar would be accepting the documents by Hand Delivery/Regd. Post/Speed Post/Courier at the following specified centre:

Name & Address	Contact Person	Mode of Delivery
System Support Services 89, Andheri-Kurla Road, (Next to Logitech Park, Above McDonalds), Sakinaka, Andheri (E), Mumbai-400 072, Tel No.: +91 22 2850 0835 Fax No.: +91 22 2850 1438 Email: sysss72@yahoo.com/zoebsss@hotmail.com SEBI Registration Number: INR00000502	Mr. Mahendra Mehta / Mr. Zoeb Sutarwala	Hand Delivery / Registered Post / Speed Post / Courier

8.3 Shareholders who wish to tender their equity shares pursuant to the Offer will be required to submit the duly completed Form of Acceptance cum acknowledgement, original Share Certificate(s), valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the Letter of Offer, to the Registrar to the Offer either by Registered Post/Speed Post/Courier, at their own risk or by hand delivery so

as to reach on or before the closing of the business hours on the Date of Closure of the Offer i.e. July 06, 2015 (Monday). The documents can be tendered at the above address as per the schedule and mode mentioned in the table given below:

Mode of Tendering	Day*	Timing
By Hand Delivery	All Working Days (Monday-Friday)	11:00 AM to 1:00 PM & 2:00 PM to 5:00 PM
	Saturdays	11:00 AM to 2:00 PM
By Registered Post / Speed Post / Courier	All Working Days (Monday-Friday)	10:00 AM to 5:00 PM
	Saturdays	10:00 AM to 2:00 PM

* Hand Delivery and Post / Courier will not be accepted on Sundays and Public Holidays.

- 8.4 The Target Company is presently having connectivity with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").
- 8.5 The Registrar to the Offer, System Support Services, has opened a Depository Escrow Account with Central Depository Services (I) Limited for receiving equity shares during the Tendering Period from eligible shareholders who hold equity shares in demat form.
- 8.6 The beneficial owners and shareholders holding shares in the dematerialized form, will be required to send their Form of Acceptance and other documents as may be specified in the Letter of Offer to the Registrar to the Offer either by Registered Post / Courier, at their own risk, or by Hand Delivery on weekdays, so as to reach to the Registrar to the Offer, on or before the Date of Closure of the Offer, i.e. July 06, 2015 (Monday) along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the depository participant ("DP"), in favour of "Servotech Engineering Industries Limited-Open Offer-Operated by-System Support Services" ("Depository Escrow Account") filled in as per the instructions given below:

Account Name	:	Servotech Engineering Industries Limited-Open Offer-Operated by-System Support Services
DP Name	:	SW Capital Private Limited
DP ID	:	12036300
Beneficiary/Client ID	:	00089218
Depository	:	Central Depository Services (I) Ltd.

Note: Shareholders having their beneficiary account with National Securities Depository Limited ('NSDL') must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account.

- 8.7 Form of Acceptance, Share Certificate(s), Share Transfer Form(s), and other documents, if any should be sent only to the Registrar to the Offer, at the address mentioned above and should not be sent to the Manager to the Offer or the Acquirer or the PACs or the Target Company.
- 8.8 In case (a) shareholders who have not received the Letter of Offer, (b) unregistered shareholders (c) owner of the shares who have sent the shares to the Target Company for transfer, a consent to the Registrar to the Open Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate and valid share transfer deeds (one per folio), duly signed by such shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with the Target Company), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Offer on or before 5.00 p.m. upto the Date of Closure of the Offer i.e. July 06, 2015 (Monday). Such shareholders can also obtain the Letter of Offer from the Registrar to the Offer by giving an application in writing to that effect.
- 8.9 In case of non-receipt of the Letter of Offer and holding the shares in demat form, may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in 'Off-market' mode or counterfoil of the delivery instruction in 'Off-market' mode, duly acknowledged by the DP, in

favour of the special depository account, so as to reach the Registrar to the Offer, on or before the Date of Closure of the Offer i.e. July 06, 2015 (Monday).

- 8.10 The Shareholders of the Target Company who have sent their Equity Shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to the Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form.
- 8.11 The Shareholders who have sent the shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the depository account should be received on or before the closing of the business hours on the Date of Closure of Offer i.e. July 06, 2015 (Monday), else the Form of Acceptance, in respect of dematerialized Equity Shares not credited to the special depository account, is liable to be rejected.
- 8.12 No indemnity is needed from unregistered shareholders.
- 8.13 Where the number of Equity Shares surrendered by the shareholders are more than the Equity Shares agreed to be acquired by the Acquirer and the PACs, the Acquirer and the PACs will accept the offers received from the 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 shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is 100 (one hundred) Shares in case of physical mode and 1 (One) share in case of Demat Mode.
- 8.14 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer and the PACs for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer and the PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.
- 8.15 The consideration to those shareholders whose shares have been accepted will be made through a crossed Demand Draft/Pay Order or through Direct Credit ('DC'), National Electronic Funds Transfer ('NEFT'), Real Time Gross Settlement ('RTGS'), National Electronic Clearing Services ('NECS'), at specified centres where clearing houses are managed by the Reserve Bank of India within 10 working days of the expiry of the tendering period. Shareholders who opt for receiving consideration through DC/NEFT/RTGS/NECS are requested to give the authorization for the same in the Form of Acceptance and enclose a photocopy of cheque along with the Form of Acceptance.
- 8.16 Such payments through account payee cheques/demand drafts will be sent by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner.
- 8.17 For those shareholders, who have opted for physical mode of payment and shareholders whose payment consideration is not credited by electronic mode due to technical error or incomplete/ incorrect bank account details, payment consideration will be made by crossed account payee Cheques/Demand Drafts. Such considerations in excess of ₹1,500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder/unregistered owner. The Acquirer and the PACs is required to deduct tax at source, as may be applicable. All dispatches involving payment of a value upto ₹1,500 will be made under certificate of posting at the shareholders sole risk.
- 8.18 For all other applicants, including those applicants whose payment consideration is not credited by ECS/Direct Credit due to technical errors or incomplete/incorrect bank account details or due to unavoidable reasons, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.
- 8.19 The bank account details for NEFT/RTGS/NECS will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the Form of Acceptance.
- 8.20 Unaccepted share certificate(s) , transfer deed(s) and other documents, if any, will be returned by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/

unregistered owner. Equity Shares held in dematerialized form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective DP's when transferred by the Registrar to the Offer.

8.21 The Registrar to the Offer will hold in trust the Equity Shares and share certificate(s), Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted Equity Shares / share certificates are dispatched / returned.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the shareholders of Target Company at the office of the Manager to the Offer, Mark Corporate Advisors Private Limited at 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off Western Express Highway, Vile Parle (East), Mumbai - 400 057, on any day (except Saturdays, Sundays and Public Holidays) between 10.30 AM to 2.00 PM from the Date of Opening of the Offer till the Date of Closure of the Offer:

- 1) Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- 2) Annual Reports of the Target Company for the financial years ended March 31, 2014, March 31, 2013, and March 31, 2012 and unaudited but certified results for the nine months period ended December 31, 2014.
- 3) Chartered Accountants' Certificate dated March 05, 2015 issued by Mr. Amit V Mody (Membership No. 102706) of M/s Amit & Disha Associates, Chartered Accountants (FRN: 119350W) certifying the Net worth of Mr. Radheshyam Lahoti ('Acquirer') and Mr. Ramawtar Lahoti ('PAC 3') as on March 05, 2015.
- 4) Chartered Accountants' Certificate dated April 29, 2015 issued by Mr. Amit V Mody (Membership No. 102706) of M/s Amit & Disha Associates, Chartered Accountants (FRN: 119350W) certifying that the Acquirer and the PACs have firm and adequate financial resources to meet the financial obligations under the Open Offer.
- 5) Memorandum of Understanding between Lead Managers i.e. Mark Corporate Advisors Private Limited and the Acquirer.
- 6) Letter from HDFC Bank Limited dated April 28, 2015 confirming the balance of ₹30,00,000 as on April 28, 2015 in the Cash Escrow Account.
- 7) Copy of Client Master regarding the opening of Special Depository Account for the purpose of the Offer.
- 8) Due Diligence Certificate dated May 14, 2015 submitted to SEBI by Mark Corporate Advisors Private Limited, Manager to the Offer.
- 9) Specific Power of Attorney duly signed by Mr. Ramawtar Lahoti in favour of Mr. Radheshyam Lahoti to act on his behalf for this Open Offer.
- 10) Copy of the Board Resolutions of Lahoti Exports Private Limited ('LEPL'/'PAC 1') and Quality Products Marketing Private Limited ('QPMPL'/'PAC 2') authorising Mr. Radheshyam Lahoti to act on their behalf for this Open Offer.
- 11) Undertaking from the Acquirer and the PACs (except for FITPL) 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.
- 12) Undertaking from the Acquirer and the PACs with regard to Responsibility under Regulation 2(o) and Regulation 7(4) of SEBI (SAST) Regulations.
- 13) Copy of the Public Announcement dated April 29, 2015 (Wednesday) & published copy of Detailed Public Statement which appeared in the newspapers on May 08, 2015 (Friday).

- 14) Published copy of the recommendation made by the Target Company's Board of Independent Directors as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.
- 15) Copy of the Observation Letter no [•] dated [•] received from SEBI.

10. DECLARATION BY THE ACQUIRER AND THE PACs

The Acquirer and the PACs, accept full responsibility, jointly and severally, for the information contained in this Letter of Offer, including the Form of Acceptance cum Acknowledgement and also for ensuring the compliance with the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations.

We, the Acquirer and the PACs, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this Letter of Offer is in compliance with the SEBI (SAST) Regulations, 2011, and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer are 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.

The Manager to the Offer hereby states that the person(s) signing this Letter of Offer are the Acquirer and PACs.

Acquirer
Radheshyam Lahoti

Sd/-

PAC 2
Quality Products Marketing Private Limited
(‘QPMPL’)
(Signed by duly constituted Power of Attorney holder
Radheshyam Lahoti)
Sd/-

PAC 4
Focus Investment & Traders Private Limited
(‘FITPL’)
Sd/-

PAC 1
Lahoti Exports Private Limited (‘LEPL’)
(Signed by duly constituted Power of Attorney holder
Radheshyam Lahoti)
Sd/-

PAC 3
Ramawtar Lahoti
(Signed by duly constituted Power of Attorney holder
Radheshyam Lahoti)
Sd/-

Date: May 14, 2015

Enclosures:

- (1) Form of Acceptance cum Acknowledgement
- (2) Blank Share Transfer Deed(s) (in case of shares held in physical mode)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

(Please send this Form with enclosures to Registrar to the Offer, **System Support Services**, at their address given in the Letter of Offer as per the mode of delivery mentioned in the Letter of Offer)

From:
Folio No. /DP ID No. /Client ID No.:
Name:
Address:

OFFER OPENS ON	:	Tuesday, June 23, 2015
OFFER CLOSES ON	:	Monday July 06, 2015

Tel No:

E-mail:

Fax No:

To
System Support Services
 89, Andheri-Kurla Road,
 (Next to Logitech Park, Above McDonalds),
 Sakinaka, Andheri (E), Mumbai-400 072

Dear Sir,

Sub: Open Offer to acquire upto 13,34,200 fully paid up Equity Shares of ₹10 each, representing 26% of the Share Capital and 32.98% of the Voting Capital of Servotech Engineering Industries Limited ('SEIL' or the 'Target Company') at a price of ₹6.90 (Rupees Six and Paise Ninety only) per equity share by Mr. Radheshyam Lahoti (hereinafter referred to as "Acquirer"), along with Lahoti Exports Private Limited ("LEPL"/"PAC 1"), Quality Products Marketing Private Limited ("QPMPL"/"PAC 2"), Mr. Ramawtar Lahoti ("PAC 3") and Focus Investment & Traders Private Limited ("FITPL"/"PAC 4").

I/We refer to the Letter of Offer dated [.] for acquiring the Equity Shares held by me/us in **Servotech Engineering Industries Limited**. I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein:

FOR EQUITY SHARES HELD IN PHYSICAL FORM

I/We hold the following Equity Shares and accept the Offer and enclose the original Share Certificate(s) and duly signed Transfer Deed(s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
1.					
2.					
3.					
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)

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 and the PACs 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 dispatched to the shareholders, as the case may be. I/We also note and understand that the Acquirer and the PACs will pay the purchase consideration only after verification of the documents and signatures.

FOR EQUITY SHARES HELD IN DEMAT FORM

I / We, holding the equity shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my/ our shares as detailed below:

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

I/We have executed an “Off-Market” transaction for crediting the shares via

- ☐ A delivery instruction from my account with CDSL
☐ An inter-depository delivery instruction from my account with NSDL

To the Special Depository Account named ‘**Servotech Engineering Industries Limited-Open Offer-Operated by-System Support Services**’ with the following particulars:

Account Name	:	Servotech Engineering Industries Limited-Open Offer-Operated by-System Support Services
DP Name	:	SW Capital Private Limited
DP ID	:	12036300
Client ID	:	00089218
ISIN	:	INE185D01015
Market	:	Off-Market
Depository	:	Central Depository Services (I) Ltd.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer and the PACs dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer and the PACs will pay the purchase consideration only after verification of the documents and signatures.

I/We confirm that the Equity Shares of the Target Company, which are being tendered herewith by me/us under this Open Offer, are free from liens, charges and encumbrances of any kind whatsoever and such Shares, when acquired by the Acquirer and the PACs will be acquired free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter.

I/We confirm that there are no taxes or other claims pending against me/us which may affect the legality of the transfer of Equity Shares of the Target Company, under the Income Tax Act, 1961. I/We are not debarred from dealing in Equity Shares of the Target Company.

I/We authorize the Acquirer and the PACs to accept the Equity Shares so offered or such lesser number of Equity Shares that the Acquirer and the PACs may decide to accept in consultation with the Manager to the Offer / Registrar to the Offer and in terms of the said Letter of Offer. I further authorize the Acquirer and the PACs to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, without specifying the reason thereof.

I/We authorize the Acquirer and the PACs and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/Speed Post as may be applicable at my / our risk, the draft / cheque, in full and final settlement of the amount due to me / us and / or other documents or papers or correspondence to the sole / first holder at the address mentioned below. In case I / we have tendered my Shares in dematerialised form, I / we authorize the Acquirer and the PACs and the Registrar to the Open Offer and the Manager to the Open Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

The Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 is as under.

	1st Holder	2nd Holder	3rd Holder
PAN			

I/We authorise the Acquirer and the PACs to send payment consideration by electronic mode or physical mode as per the option selected. In cases where the payment consideration is to be done in physical mode, the cheque / demand draft / pay order, in settlement of the amount and excess share certificate(s), if any, will be sent by registered post / speed post to the sole/first holder at the address given hereunder and if full address is not given below, the same will be forwarded at the address registered with the Target Company.

Please indicate the preferred mode of receiving the payment consideration. (Please tick)

Electronic Mode: ☐ or **Physical Mode:** ☐

So as to avoid fraudulent encashment in transit, the shareholder(s) are requested to kindly provide the following bank details of the first/ sole shareholder and the consideration will be payable by way of Electronic Mode/ cheque / demand draft / pay order will be drawn accordingly. In order to receive payment consideration through Electronic mode, the shareholders are requested to compulsorily provide their following bank details:

In order to receive payment consideration through Electronic mode, the shareholders are requested to compulsorily provide their following bank details:

Name of the Bank	:	
Branch/Address	:	
Account No.	:	
Account Type (Savings /Current/ Others (please specify))	:	
IFSC	:	
MICR Code (9 Digits)	:	

For Equity Shares that are tendered in demat form, the bank account details as contained from the beneficiary position provided by the depository will be considered for the purpose of payment of Open Offer consideration through electronic means and the draft / warrant / cheque, if required, may be issued with the bank particulars mentioned herein above.

Yours faithfully,

Signed & Delivered:

Particulars	Full Name	Signature
First / Sole Holder		
Second Holder		
Third Holder		

Note: In case of joint holdings, all must sign. Bodies Corporate must affix its common seal and attach herewith the necessary Board Resolution.

Place:

Date:

=====Tear along this line=====

**ACKNOWLEDGEMENT SLIP
SYSTEM SUPPORT SERVICES**

(Unit-Servotech Engineering Industries Limited-Open Offer)

89, Andheri-Kurla Road, (Next to Logitech Park, Above McDonalds), Sakinaka, Andheri (E), Mumbai-400 072

Tel No.: +91 22 2850 0835, Fax No.: +91 22 2850 1438

Contact Person: Mr. Mahendra Mehta/Mr. Zueb Sutarwala, Email: sysss72@yahoo.com/ zoebsss@hotmail.com

Received from Mr. / Ms. / Smt. _____

Address: _____

Form of Acceptance-cum-Acknowledgement for _____ Shares along with:

☐ **Physical Shares:** _____ Share Certificate(s) along with _____ number of Transfer Deed(s) under Folio Number (s) _____

☐ **Demat Shares:** Copy of delivery instruction from DP ID _____ Client ID _____

(Tick whichever is applicable)

Stamp of
Registrar to the Offer

Signature
of the Official

Date of
Receipt

All future correspondence, if any, should be addressed to the Registrar to the Open Offer at their address quoting your Folio No. / DP ID and Client ID.