

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of Super Sale India Limited. If you require any clarifications about the action to be taken, you may consult your stock broker, investment consultant, the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your Equity Shares in Super Sales India Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and transfer deed, if applicable, to the member of stock exchange through whom the said sale was effected.

Open Offer ("Offer")

BY

Lakshmi Cargo Company Limited ("LCCL"), having its registered office at Unit-5, 3rd floor, Raja Annamalai Building, 72, Rukmani Lakshminpathy Road, Egmore, Chennai – 600 018, Tamil Nadu;
Tel.: + 91 44 2855 2625; Fax: + 91 44 2855 3288

and

Lakshmi Life Sciences Limited ("LLSL"), having its registered office at 34-A, Kamaraj Road, Coimbatore - 641 018, Tamil Nadu; Tel.: + 91 422 4506 163; Fax: + 91 422 2360 939

(LCCL and LLSL are collectively referred to as the "Acquirers")

along with

Sri. Sanjay Jayavarthanavelu ("PAC"), in his capacity as a person acting in concert with the Acquirers, residing at 695, Shell House, Avinashi Road, Coimbatore - 641 037, Tamil Nadu, India;
Tel.: + 91 422 2221680; Fax: + 91 422 2220912

TO ACQUIRE

up to 7,98,590 fully paid-up equity shares of face value of ₹ 10 each (each an "**Equity Share**"), representing 26% of the fully diluted voting equity share capital ("**Voting Share Capital**"), as of the 10th Working Day (as defined below) from the Closure of the Tendering Period (as defined below)

OF

Super Sales India Limited ("Target Company"), having its registered office at 34-A, Kamaraj Road, Coimbatore - 641 018, Tamil Nadu; Tel.: + 91 422 2222404-06; Fax: +91 422 2221427

at a price of ₹ 461/- (Rupees Four Hundred Sixty One only) per Equity Share ("Offer Price") payable in cash pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI (SAST) Regulations**")

Notes:

1. This Offer is being made by the Acquirers and the PAC pursuant to Regulations 3(1) of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. To the best of the knowledge of the Acquirers and the PAC, no statutory approvals are required by the Acquirers and/or the PAC to complete this Offer. However, in case of any statutory approvals being required at a later date, this Offer will be subject to such approvals.
4. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
5. If there is any upward revision in the Offer Price or the Offer Size (as defined below), up to 3 Working Days prior to the commencement of the Tendering Period, the same will be informed by way of a public announcement in the same newspapers where the detailed public statement in relation to this Offer ("**DPS**") appeared. Such revision in the Offer Price would be applicable for all the Equity Shares validly tendered anytime during the Tendering Period.
6. **There has been no competing offer as of the date of this Letter of Offer.**
7. A copy of the public announcement in relation to this Offer ("**PA**"), the DPS and this Letter of Offer (including the Form of Acceptance-cum-Acknowledgment) is also available on SEBI website: www.sebi.gov.in.

Manager to the Offer



Axis Capital Limited
Axis House, 1st Floor,
C-2, Wadia International Centre,
P.B. Marg, Worli, Mumbai - 400 025.
Phone: +91 22 4325 2183
Fax: +91 22 43253000
Email: ssil.offer@axiscap.in
Contact person: Mr. Vivek Toshniwal

Registrar to the Offer



S.K.D.C Consultants Limited
Kanapathy Towers, III Floor,
No. 1391/A-1, Sathy Road,
Ganapathy, Coimbatore - 641 006.
Phone: +91 422 6549995 / 2539835
Fax: +91 422 2539837
Email: info@skdc-consultants.com
Contact Person: Mr. K. Jaykumar

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER	
Activity	Day and Date
Issue of PA	Friday, May 09, 2014
Publication of DPS in newspapers	Monday, May 19, 2014
Last date for public announcement for competing offer(s)	Monday, June 09, 2014
Identified Date*	Wednesday, June 18, 2014
Last date for dispatch of the Letter of Offer to the Shareholders	Wednesday, June 25, 2014
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Shareholders for this Offer	Monday, June 30, 2014
Offer opening public announcement date	Tuesday, July 01, 2014
Commencement of Tendering Period	Wednesday, July 02, 2014
Closure of Tendering Period	Tuesday, July 15, 2014
Last date of payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer	Wednesday, July 30, 2014
Last date for publication of post offer advertisement and for filing of final report with SEBI	Wednesday, August 06, 2014

** Date falling on the 10th working day prior to the commencement of the tendering period, for the purposes of determining the public shareholders of the Target Company to whom the Letter of Offer shall be sent. It is clarified that subject to paragraph 6.16 (Statutory and Other Approvals) above, all the public shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time on or prior to the closure of the tendering period.*

RISK FACTORS

The risk factors set forth below pertain to this Offer and association with the Acquirers and the PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in this Offer, but are merely indicative. Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analyzing all the risks with respect to their participation in this Offer.

A. Risks relating to this Offer

- As on the date of this Letter of Offer, the Acquirers and the PAC are not aware of any statutory approvals required by the Acquirers and/or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirers and/or the PAC at a later date, this Offer shall be subject to such approvals. In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirers and/or the PAC agreeing to pay interest to the Shareholders for a delay beyond 10 Working Days, at such rate as may be specified by SEBI from time to time. Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Shareholders, the Acquirers will have the option to make payment of the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirers and the PAC will have the right not to proceed with this Offer in the event any statutory approval, as may be required,

is refused.

2. In the event that either: (a) there is any litigation leading to a stay on this Offer; or (b) SEBI instructing the Acquirers and the PAC not to proceed with this Offer, then this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer, may be delayed.
3. The Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.
4. The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account (as defined below), along with the documents submitted by the Shareholders, on behalf of the Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Shareholders will not be able to trade in such Equity Shares, even if the acceptance of the Equity Shares in this Offer and dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares.
5. This Offer is an offer to acquire up to 7,98,590 Equity Shares, representing 26% of the Voting Share Capital, as of the 10th Working Day from the Closure of the Tendering Period (“**Offer Size**”). In the case of over-subscription of this Offer, acceptance will be determined on a proportionate basis (as detailed in paragraph 7.15 below) and hence, there is no certainty that all the Equity Shares tendered by the Shareholders in this Offer will be accepted.
6. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this 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 Acquirers, the PAC or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
7. The Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
8. The Acquirers, the PAC and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the PAC (excluding all information pertaining to the Target Company, which has been obtained from publicly available sources). Any person placing reliance on any other source of information will be doing so at its own risk.
9. This Offer is subject to completion risks as would be applicable to similar transactions.

B. Risks relating to the Acquirers and the PAC

1. The Acquirers and the PAC make no assurances with respect to their investment/divestment decisions relating to their shareholding in the Target Company.

2. The Acquirers and the PAC make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.
3. The Acquirers and the PAC make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim their responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in this Offer.

C. CURRENCY OF PRESENTATION

1. 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.
2. In this Letter of Offer, all references to “₹” / “Rs.” / “Rupees” are references to the Indian Rupees.

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DEFINITIONS

Term	Definition
Acquirers	LCCL and LLSL are collectively referred to as the “Acquirers”.
Board of Directors	Board of directors of the Target Company.
BSE	BSE Limited.
CDSL	Central Depository Services (India) Limited.
Closure of the Tendering Period	Tuesday, July 15, 2014.
Depository Escrow Account	The depository account opened by the Registrar to the Offer with Stock Holding Corporation of India Limited. The DP ID is IN301080 and the beneficiary client ID is 22841349.
Depositories	CDSL and NSDL.
DP	Depository Participant.
DPS	Detailed public statement issued by the Manager to the Offer, on behalf of the Acquirers and the PAC, in relation to this Offer and published in the newspapers on May 19, 2014.
Equity Shares	Fully paid-up equity shares of the Target Company, having a face value of ₹ 10 each.
Escrow Bank	Axis Bank Limited, having its registered office at ‘TRISHUL’, Third Floor, Opp. Samaratheshwar Temple, near Law Garden, Ellisbridge, Ahmedabad – 380 006 and acting through its branch at Coimbatore, Tamil Nadu, for the purposes of this Offer.
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act.
FIPB	Foreign Investment Promotion Board.
Form of Acceptance-cum-Acknowledgement	The form of acceptance-cum-acknowledgement, which is a part of this Letter of Offer.
Identified Date	Wednesday, June 18, 2014, i.e. the date falling on the 10th Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders to whom this Letter of Offer shall be sent.
Income Tax Act	Income-tax Act, 1961 and subsequent amendments thereto.
LCCL	Lakshmi Cargo Company Limited
Letter of Offer	This draft letter of offer dated May 26, 2014, including the Form of Acceptance-cum-Acknowledgement.
LLSL	Lakshmi Life Sciences Limited
Manager to the Offer	Axis Capital Limited
Maximum Consideration	Total funding requirement for this Offer of ₹ 36,81,49,990/-, assuming full

Term	Definition
	acceptance of this Offer.
MSE	Madras Stock Exchange Limited
NEFT	National Electronic Funds Transfer.
NRI	Non Resident Indian, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
Offer	This open offer, which is being made by the Acquirers and the PAC to the Shareholders, for acquiring up to 7,98,590 Equity Shares, representing 26% of the Voting Share Capital, as of the 10th Working Day from the Closure of the Tendering Period.
Offer Escrow Account	Escrow account no. 914020016470897 opened by the Acquirers and PAC in relation to this Offer with the Escrow Bank.
Offer Escrow Agreement	The escrow agreement dated May 12, 2014 entered into amongst the Acquirers, the PAC, the Manager to the Offer and the Escrow Bank.
Offer Period	The period between the date of the PA and the date on which the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be.
Offer Price	Price of ₹ 461/- (Rupees Four Hundred Sixty One only) per Equity Share.
Offer Size	Up to 7,98,590 Equity Shares, representing 26% of the Voting Share Capital, as of the 10th Working Day from the Closure of the Tendering Period.
Overseas Tax	Tax payable under the tax laws applicable in overseas jurisdictions.
PA	Public announcement dated May 9, 2014, issued by the Manager to the Offer on behalf of the Acquirers and the PAC, in relation to this Offer and filed with the Stock Exchanges on May 9, 2014.
PAC	Person acting in concert with the Acquirers for this Offer, i.e., Sri. Sanjay Jayavarthanavelu.
PAN	Permanent Account Number.
RBI	Reserve Bank of India.
Registrar to the Offer	S.K.D.C Consultants Limited
RTGS	Real Time Gross Settlement.
SCRR	Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto.
SEBI	Securities and Exchange Board of India.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto.
₹ / Rs. / Rupees	Indian Rupees.
Shareholders	Public shareholders of the Target Company holding the Equity Shares.
Stock Exchanges	BSE and MSE.
Target Company	Super Sales India Limited
Tax Residency Certificate	Certificate to be furnished by any Shareholder claiming benefit under any Double Taxation Avoidance Agreement.
Tendering Period	Period commencing from July 02, 2014 and closing on July 15, 2014 (both days inclusive).
Voting Share Capital	Fully diluted voting equity share capital of the Target Company.
Working Day	A working day of SEBI.

1. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SUPER SALES INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, THE PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER “AXIS CAPITAL LIMITED” HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 26, 2014 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.”

2. DETAILS OF THIS OFFER

2.1 Background to this Offer

- 2.1.1 The Offer is being made to the shareholders of the Target Company in accordance with Regulation 3(1) of the SEBI (SAST) Regulations pursuant to the decision and intention of the Acquirers and the PAC to increase their shareholding in the Target Company by additionally acquiring up to 26% of the Voting Share Capital under the Open Offer.
- 2.1.2 The Acquirers and the PAC are part of the promoter group of the Target Company and together with the other promoter group entities presently hold 22.09% of the Voting Share Capital of the Target Company. While there is no underlying transaction, the Offer is being made pursuant to the decision and intention of the Acquirers and the PAC to increase their shareholding in the Target Company by acquiring up to 26% of the Voting Share Capital under the Offer by paying cash, which assuming full acceptance, would result in the Acquirers, PAC and other promoter group entities holding up to 48.09% of the Voting Share Capital, which is more than the 25% limit prescribed under Regulation 3(1) of the SEBI (SAST) Regulations.
- 2.1.3 There is no agreement entered into between the Acquirers and the PAC with regard to this Offer.
- 2.1.4 The Acquirers and the PAC have not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act, 1992 or under any regulations made thereunder.
- 2.1.5 As on date of this Letter of Offer, the Acquirers and/or the PAC do not have any intention to reconstitute the Board of Directors of the Target Company.
- 2.1.6 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target

Company is required to constitute a committee of independent directors to provide its reasoned recommendation on this Offer to the Shareholders. Such recommendation shall be published at least 2 Working Days before the commencement of the Tendering Period in the same newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

2.2 Details of this Offer

2.2.1 The DPS was published on May 19, 2014, in the following newspapers:

Newspaper	Language	Edition
Financial Express	English	All
Jansatta	Hindi	All
Navshakti	Marathi	Mumbai
Makkal Kural	Tamil	Coimbatore

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

2.2.2 This Offer is made by the Acquirers and the PAC to all the Shareholders, to acquire up to 7,98,590 Equity Shares, representing 26% of the Voting Share Capital, as of the 10th Working Day from the Closure of the Tendering Period (i.e. the Offer Size), at a price of ₹ 461/- (Rupees Four Hundred Sixty One only) per Equity Share, to be paid in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and this Letter of Offer.

2.2.3 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this Letter of Offer.

2.2.4 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

2.2.5 The Acquirers and / or the PAC have not acquired any Equity Shares after the date of PA, i.e., May 9, 2014, and up to the date of this Letter of Offer.

2.2.6 If the aggregate valid responses to this Offer by the Shareholders are more than the Offer Size, then the offers received from the Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner. The Acquirers will acquire all the Equity Shares validly accepted in this Offer.

2.2.7 The Equity Shares are listed on the Stock Exchanges. As per Clause 40A of the listing agreement read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding, on a continuous basis for listing. The acquisition of Equity Shares pursuant to this Offer shall not result in the public shareholding in the Target Company falling below the minimum level required for continued listing under clause 40A of the listing agreement and Rule 19A of the SCRR.

2.3 Object of the Offer

2.3.1 The Acquirers and the PAC are part of the promoter group of the Target Company and together with the other promoter group entities presently hold 22.09% of the Voting Share Capital of the Target Company. While there is no underlying transaction, the Offer is being made pursuant to the decision and intention of the Acquirers and the PAC to increase their shareholding in the Target Company by acquiring up to 26% of the Voting Share Capital under the Offer by paying cash, which assuming full acceptance, would result in the Acquirers, PAC and other promoter group entities holding up to 48.09% of the Voting Share Capital, which is more than the 25% limit prescribed under Regulation

3(1) of the SEBI (SAST) Regulations.

- 2.3.2 The Acquirers and the PAC propose to continue and expand the existing businesses of the Target Company.
- 2.3.3 The Acquirers and / or the PAC may dispose-off or otherwise encumber any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, reconstruction, restructuring (including but not limited to amalgamation and / or demerger with its group companies) and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalizing the assets, investments or liabilities of the Target Company and / or its subsidiaries, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company.

3. BACKGROUND OF THE ACQUIRERS AND THE PAC

A. ACQUIRERS

A1. Lakshmi Cargo Company Limited (LCCL)

1. LCCL, a public limited company having CIN U52599TN1991PLC021857, was incorporated on December 13, 1991, under the laws of India. The registered office of LCCL is located at Unit-5, 3rd floor, Raja Annamalai Building, 72 Rukmani Lakshmipathy Road, Egmore, Chennai – 600 018, Tamil Nadu. There has been no change in the name of LCCL since its incorporation.
2. The main objects of LCCL as per its memorandum of association is to carry on as principals or agents the business of importers, exporters of goods or merchandise of any description or to act as custom house agents, forwarding and clearing agents, shippers, underwriters, commission agents, advertising agents, brokers, estate agents, contractors, etc.
3. LCCL is a part of the Lakshmi Machine Works group.
4. The PAC and Smt. J. Rajyalakshmi are the promoters of and in control of LCCL, and collectively hold 8,39,980 equity shares of face value of ₹ 10 each, representing 84% of the issued and paid-up share capital of LCCL.
5. The equity shares of LCCL are not listed on any stock exchanges.
6. LCCL is part of the promoter group of the Target Company and holds 81,000 Equity Shares of the Target Company, representing 2.64% of the total paid-up share capital of the Target Company. LCCL also renders certain services to the Target Company like acting as forwarding and clearing agents and transporters. Additionally, the PAC who is a director of LCCL is also the Chairman of the board of directors of the Target Company.
7. The PAC, being the individual promoter of the Target Company, has been making consolidated disclosures for himself and on behalf of all other promoter group entities and persons acting in concert with him pursuant to the relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations. For details, please refer to the information provided for the PAC in the subsequent paragraphs.

8. The shareholding pattern of LCCL is as follows:

S. No.	Shareholder's Category	No. of shares held	Percentage of shares held
1.	Promoter and promoter group	9,99,980 equity shares of face value of ₹ 10 each	100%
2.	FII's/Mutual-Funds/ FI's/ Banks	-	-
3.	Public	20 equity shares of face value of ₹ 10 each	Negligible
Total Paid Up Share Capital		10,00,000 equity shares of face value of ₹ 10 each aggregating to ₹ 1,00,00,000	100%

9. The details of the directors on the board of directors of LCCL are as follows:

S. No.	Name	Details of the experience	Details of qualifications	Date of appointment	Director Identification Number
1.	Smt. J. Rajyalakshmi	More than three decades in business and administration	Graduate	December 13, 1991	00004588
2.	Smt. Uttara Ravi	More than two decades in business and administration	BBM	December 13, 1991	00007486
3.	Sri. Sanjay Jayavarthanavelu	More than two decades in business and administration	Post Graduate in Business Administration	March 03, 2004	00004505
4.	Dr. (Smt.) Lalitha Devi Sanjay Jayavarthanavelu	More than a decade in business and administration	MBBS	November 01, 2006	00004524
5.	Sri. Arun Vasu	More than two decades in business and administration	Bachelor of Commerce	December 06, 2006	00174675

10. The key financial information of LCCL (standalone), as obtained from its audited financial statements as at and for the 12-months period ended March 31, 2013, March 31, 2012 and March 31, 2011 and the interim unaudited financial information, which has been subject to limited review by LCCL's auditors, as at and for the nine months period ended December 31, 2013, are as follows. The said financial statements have been prepared in accordance with the Indian GAAP.

Profit & Loss Statement	For the nine months period ended December 31, 2013	For the 12-months period ended March 31,		
		2013	2012	2011
Income from Operations	86.57	100.12	104.62	84.61
Other Income	2.67	7.39	5.00	2.67

Profit & Loss Statement	For the nine months period ended December 31, 2013	For the 12-months period ended March 31,		
		2013	2012	2011
Total Income	89.24	107.51	109.62	87.28
Total Expenditure	75.99	87.85	90.01	72.78
Profit before Depreciation Interest and Tax	13.24	19.66	19.61	14.50
Depreciation	1.31	1.81	1.67	1.38
Finance costs	0.25	0.41	0.00	0.16
Profit Before Tax	11.68	17.44	17.94	12.95
Tax Expense	3.40	4.46	5.02	3.98
Profit After Tax	8.28	12.98	12.92	8.97

Note: All amounts are in ₹ in crore

Balance Sheet	As at December 31, 2013	As at March 31,		
		2013	2012	2011
Sources of Funds				
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserves)	83.09	74.80	62.99	51.24
Net Worth	84.09	75.80	63.99	52.24
Non-current Liabilities	1.92	2.53	1.01	0.12
Current Liabilities	12.30	11.88	11.76	8.87
Total	98.30	90.21	76.76	61.23
Uses of funds				
Non-current Assets	64.51	45.50	26.05	22.65
Current Assets	33.80	44.71	50.72	38.58
Total Miscellaneous Expenditure not written off	-	-	-	-
Total	98.30	90.21	76.76	61.23

Note: All amounts are in ₹ in crore

11. As per the latest audited financial statements of LCCL for the 12-months period ended March 31, 2013, following are the major contingent liabilities of LCCL:

Particulars	Amount in ₹
Guarantee issued by a Scheduled Bank	89,32,500

A2. Lakshmi Life Sciences Limited (LLSL)

1. LLSL, a public limited company having CIN U73100TZ2009PLC015463, was incorporated on September 4, 2009, under the laws of India. The registered office of LLSL is located at 34-A,

Kamaraj Road, Coimbatore - 641 018, Tamil Nadu. There has been no change in the name of LLSL since its incorporation.

2. The main objects of LLSL as per its memorandum of association is to carry on the business of researchers, developers, establish laboratories, conduct research for self and others in all fields of life sciences including bio technology, micro biology, pathology, stem cell research, nano technology, engineering, plastics and medical devices.
3. LLSL is a part of the Lakshmi Machine Works group.
4. The PAC is the promoter of and in control of LLSL, and holds 5,49,940 equity shares of face value of ₹ 10 each, representing 99.99% of the issued and paid-up equity share capital of LLSL and 30,00,000, 9% cumulative redeemable preference shares of ₹ 10 each, representing 100% of the issued and paid-up preference share capital of LLSL.
5. The equity shares of LLSL are not listed on any stock exchanges.
6. LLSL is part of the promoter group of the Target Company. Additionally, the PAC, who is the Chairman of the board of directors of LLSL is also the Chairman of the board of directors of the Target Company and Sri. N. R. Selvaraj and Sri. S. K. Najmul Hussain, who are the directors of LLSL, are also directors of the Target Company.
7. The PAC, being the individual promoter of the Target Company, has been making consolidated disclosures for himself and on behalf of all other promoter group entities and persons acting in concert with him pursuant to the relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations. For details, please refer to the information provided for the PAC in the subsequent paragraphs.
8. The shareholding pattern of LLSL is as follows:

Equity Share Capital

S. No.	Shareholder's Category	No. of shares held	Percentage of shares held
1.	Promoter and promoter group	5,50,000 equity shares of face value of ₹ 10 each	100%
2.	FII's/Mutual-Funds/ FI's/ Banks	-	-
3.	Public	-	-
Total Paid Up Equity Share Capital		5,50,000 equity shares of face value of ₹ 10 each aggregating to ₹ 55,00,000	100%

Preference Share Capital

S. No.	Shareholder's Category	No. of shares held	Percentage of shares held
1.	Promoter and promoter group	3,00,000, 9% cumulative redeemable preference shares of ₹ 10 each	100%
2.	FII's/Mutual-Funds/ FI's/ Banks	-	-
3.	Public	-	-
Total Paid Up Preference Share Capital		3,00,000, 9% cumulative redeemable preference shares of ₹ 10 each aggregating to ₹ 30,00,000	100%

9. The details of the directors on the board of directors of LLS are as follows:

S. No.	Name	Details of the experience	Details of qualifications	Date of appointment	Director Identification Number
1.	Sri. Sanjay Jayavarthanavelu	More than two decades of experience in business and administration	Post Graduate in Business Administration	February 20, 2012	00004505
2.	Dr. (Smt.) Lalitha Devi Sanjay Jayavarthanavelu	More than a decade of experience in business and administration	MBBS	March 29, 2010	00004524
3.	Sri. N. R. Selvaraj	Four decades of professional experience	ACA	September 04, 2009	00013954
4.	Sri. N. Venkatesh	More than two decades of business experience	BA	September 04, 2009	00087922
5.	Sri. G. V. Devadas	More than three decades of professional experience	BE	September 04, 2009	02714348
6.	Sri. S. K. Najmul Hussain	Five decades of professional experience	BE, MBA	November 07, 2013	02723029

10. The key financial information of LLSL (standalone), as obtained from its audited financial statements as at and for the 12-months period ended March 31, 2013, March 31, 2012 and March 31, 2011 and as at for the nine months period ended December 31, 2013, are as follows. The said financial statements have been prepared in accordance with the Indian GAAP.

Profit & Loss Statement	For the nine months period ended December 31, 2013	For the 12-months period ended March 31,		
		2013	2012	2011
Income from Operations	32.22	40.74	40.15	13.46
Other Income	0.95	0.26	0.31	0.01
Total Income	33.17	41.00	40.46	13.47
Total Expenditure	22.72	27.41	25.56	10.40
Profit before Depreciation Interest and Tax	10.45	13.60	14.90	3.07
Depreciation	2.25	2.68	0.89	0.36
Finance costs	0.22	0.49	0.27	0.03
Profit Before Tax (adjusted for extraordinary items)	7.98	10.42	13.63	2.68
Tax Expense	2.71	3.52	4.53	0.90
Profit After Tax	5.27	6.91	9.10	1.78

Note: All amounts are in ₹ in crore

Balance Sheet	As at December 31, 2013	As at March 31,		
		2013	2012	2011
Sources of Funds				
Paid up Share Capital	3.55	3.55	3.55	3.55
Reserves and Surplus (excluding revaluation reserves)	22.28	17.01	10.42	1.63
Net Worth	25.83	20.56	13.97	5.18
Non-current Liabilities	1.37	0.62	1.95	0.01
Current Liabilities	6.43	6.08	5.36	7.04
Total	33.63	27.26	21.27	12.23
Uses of funds				
Non-current Assets	14.70	13.64	8.88	2.28
Current Assets	18.93	13.62	12.40	9.95
Total Miscellaneous Expenditure not written off	-	-	-	-
Total	33.63	27.26	21.27	12.23

Note: All amounts are in ₹ in crore

11. As per the latest audited financial statements of LLSL for the 9-months period ended March 31, 2013, there are no major contingent liabilities.

B. PERSON ACTING IN CONCERT

B1. Sri. Sanjay Jayavarthanavelu (PAC)

1. The PAC, aged 44 years is an industrialist and an Indian resident, residing at 695, Shell House, Avinashi Road, Coimbatore - 641 037, Tamil, Nadu, India. He is a post graduate in Business Administration from Philadelphia University, U.S.A. He has more than 20 years of experience in finance, administration and in the fields of textile, textile engineering, machine tools, foundry and logistics.
2. The PAC is part of the promoter group of the Target Company and holds 2,16,288 Equity Shares of the Target Company, representing 7.04% of the total paid-up share capital of the Target Company. The PAC is the promoter of and in control of the Acquirers. The PAC is also the Chairman of the board of directors of the Target Company and a director of LCCL and the Chairman of the board of directors LLSL.
3. S Krishnamoorthy & Co., Chartered Accountants (Firm Registration No. 001496S), having office at 'Kanamathy Towers', III Floor, No. 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 (Phone: +91 422 4039900; Fax: +91 422 2536673; Email: skmcoca@skmcoca.com) have certified vide their certificate dated May 12, 2014 that the networth of the PAC is ₹ 327.77 crores as on the date of the certificate.

4. The PAC holds directorship in the following listed companies:

Name of listed company	Position held
Carborundum Universal Limited	Non-Executive, independent director
Fortis Malar Hospitals Limited	Non-Executive, independent director
Lakshmi Electrical Control Systems Limited	Non-executive, non-independent director
Lakshmi Machine Works Limited	Executive–Chairman and Managing Director
Super Sales India Limited	Non-Executive, Chairman
The Lakshmi Mills Company Limited	Non-executive, non-independent director

5. The PAC is a whole time director (Executive–Chairman and Managing Director) of Lakshmi Machine Works Limited.
6. The PAC, being the individual promoter of the Target Company, has been making consolidated disclosures for himself and on behalf of all other promoter group entities and persons acting in concert with him pursuant to the relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations and to the extent information is available, has complied with such applicable provisions within the time specified in the regulations except for the following:
- a. Delay of 25 days in respect of the filing required under regulation 6(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 which was due on April 20, 1997.
7. The PAC was holding 5,400 Equity Shares as per the initial disclosure made under regulation 6(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Thereafter, he had acquired 1,00,000 Equity Shares through market purchase on June 04, 2003. Subsequently, on December 22, 2010, he had acquired 1,10,888 Equity Shares by way of transmission from his father.

4. BACKGROUND OF THE TARGET COMPANY

- 4.1 The Target Company, a public limited company having CIN L17111TZ1981PLC001109, was incorporated on September 18, 1981, under the laws of India. The registered office of the Target Company is located at 34-A, Kamaraj Road, Coimbatore - 641 018, Tamil Nadu. The Target Company was incorporated with the name ‘Super Sales Agencies Limited’. Subsequently, the name of the Target Company was changed to its current name, i.e., ‘Super Sales India Limited’ in the year 2005. (Source: BSE and MCA websites)
- 4.2 The Equity Shares (ISIN: INE091C01017) are listed on the BSE (Scrip Code: 512527) and the MSE. Pursuant to a Memorandum of Understanding between the MSE and the NSE, the Equity Shares are being traded on NSE (Symbol: SUPER). (Source: BSE, MSE and NSE websites)
- 4.3 The Equity Shares are frequently traded on the BSE and the NSE in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations (further details provided in Part IV below - Offer Price).
- 4.4 Details of the Voting Share Capital as of the date of this Letter of Offer are as follows:

(Source: BSE website)

Paid up equity shares of Target Company	No. of Equity Shares/voting rights	Percentage of Equity Shares/voting rights
Equity Shares	30,71,500	100
Partly paid up equity shares	Nil	Nil

Paid up equity shares of Target Company	No. of Equity Shares/voting rights	Percentage of Equity Shares/voting rights
Total paid up Equity Shares	30,71,500	100
Total voting rights in Target Company	30,71,500	100

- 4.5 There are no Equity Shares that are not listed on the Stock Exchanges. (Source: BSE website)
- 4.6 As of the date of this Letter of Offer, there are no outstanding convertible instruments (warrants / fully convertible debentures / partially convertible debentures) or partly paid-up shares issued by the Target Company. (Source: BSE website)
- 4.7 The details of the Board of Directors of the Target Company are set forth below: (Source: BSE website)

S. No.	Name	Date of appointment	Designation
1.	Sri. Sanjay Jayavarthanavelu	November 26, 1989	Non-executive, Promoter Chairman
2.	Sri. Ravi Sam	June 30, 1989	Non-executive, Promoter
3.	Sri. J. Raghupathy	January 01, 2007	Non-executive, independent
4.	Sri. S. Venkatraman	October 29, 2012	Non-executive, independent
5.	Sri. S. K. Najmul Hussain	January 20, 2014	Non-executive, independent
6.	Sri. N. R. Selvaraj	October 29, 2012	Executive, non-independent

- 4.8 The PAC, who is the Chairman of the board of directors of LLSL and the director of LCCL is also the Chairman of the board of directors of the Target Company and Sri. N. R. Selvaraj and Sri. S. K. Najmul Hussain who are directors of LLSL, are also directors of the Target Company. Pursuant to Regulation 24(4) of the SEBI (SAST) Regulations, such director shall not participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the Offer.
- 4.9 The key financial information of the Target Company (standalone), as obtained from its audited financial statements as at and for the 12-months period ended March 31, 2013, March 31, 2012 and March 31, 2011 and the interim unaudited financial information, which has been subject to limited review by its auditors, as at and for the nine months period ended December 31, 2013, are as follows. The said financial statements have been prepared in accordance with the Indian GAAP.

Profit & Loss Statement	For the nine months period ended December 31, 2013	For the 12-months period ended March 31,		
		2013	2012	2011
Income from Operations	159.26	183.10	144.69	178.38
Other Income	6.32	7.48	3.18	3.08
Total Income	165.58	190.58	147.87	181.45
Total Expenditure	129.07	140.70	138.69	127.94

Profit & Loss Statement	For the nine months period ended December 31, 2013	For the 12-months period ended March 31,		
		2013	2012	2011
Profit before Depreciation Interest and Tax	36.52	49.88	9.18	53.51
Depreciation	14.52	19.43	17.83	14.08
Finance costs	7.50	12.07	12.43	6.36
Profit Before Tax	14.50	18.38	(21.09)	33.07
Tax Expense	0.66	7.85	(6.93)	11.63
Profit After Tax	13.84	10.53	(14.15)	21.44

Note: All amounts are in ₹ in crore

Balance Sheet	As at March 31,		
	2013	2012	2011
Sources of Funds			
Paid up Share Capital	3.07	3.07	3.07
Reserves and Surplus (excluding revaluation reserves)	71.93	62.30	76.46
Net Worth	75.01	65.38	79.53
Non-current Liabilities	46.60	59.27	76.55
Current Liabilities	83.93	80.70	87.17
Total	205.53	205.34	243.25
Uses of funds			
Non-current Assets	130.51	145.37	149.82
Current Assets	75.02	59.97	93.44
Total Miscellaneous Expenditure not written off	-	-	-
Total	205.53	205.34	243.25

Note: All amounts are in ₹ in crore

Source: Annual Reports of the Target Company and financial information filed with the BSE

- 4.10 The shareholding pattern of the Target Company before (i.e., as of March 31, 2014) and after this Offer, is as follows:

(Source: Shareholding pattern filed with the BSE)

(Source: Shareholding pattern filed with the BSE)

Shareholders' Category	Shareholding & voting rights prior to the agreement/ acquisition and this Offer		Equity Shares /voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations		Equity Shares/voting rights to be acquired in this Offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and this Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(A)+(B)+(C)	
							=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group, including Acquirers and PAC								
a. Parties to agreement, if any	Not applicable							
b. Promoters other than (a) above								
b1. LCCL	81,000	2.64	Nil	Nil	7,98,590 *	26.00*	8,79,590*	28.64*
b2. LLSL	Nil	Nil	Nil	Nil				
b3. PAC	2,16,288	7.04	Nil	Nil	Nil	Nil	2,16,288	7.04
b4. Other promoter group entities **	3,81,322	12.41	Nil	Nil	Nil	Nil	3,81,322	12.41
Total 1(a+b)	6,78,610	22.09	Nil	Nil	7,98,590	26.00	14,77,200	48.09
(2) Parties to agreement other than (1)	Not applicable							
(3) Public (other than parties to agreement, Acquirers & PAC)								
a. FIs/MFs/FIIs/Banks, SFIs	603	0.02	Not applicable				15,94,300	51.91
b. Others	23,92,287	77.89						
Total (3)(a+b)	23,92,890	77.91						
(Total number of Shareholders in "Public category")	5,531							
Grand Total (1+2+3)	30,71,500	100.00	Nil	Nil	7,98,590	26.00	30,71,500	100.00

* The number of Equity Shares to be acquired by each LCCL and LLSL will be decided on the basis of the final acceptance in the Offer.

** Smt. J. Rajyalakshmi, director of LCCL, holds 1,04,400 Equity Shares representing 3.40% of the Voting Share Capital, and Sri. N. R. Selvaraj, director of LLSL and Target Company holds 100 Equity Shares.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Equity Shares are listed on the BSE and the MSE. Pursuant to a Memorandum of Understanding between the MSE and the NSE, the Equity Shares are being traded on the NSE.

5.1.2 In terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded on the BSE and the NSE. The trading turnover of the Equity Shares on the BSE and the NSE from May 2013 to April 2014 (i.e., the 12 calendar months preceding the calendar month in which the PA is made) are set forth below:

Stock Exchange	Number of Equity Shares traded	Total number of listed Equity Shares	Trading turnover (as a percentage of total listed Equity Shares)
BSE	7,62,453	30,71,500	24.82%
NSE	5,46,617	30,71,500	17.80%

(Source: CA certificate dated May 9, 2014 issued by K. J. Sheth & Associates, Chartered Accountants, firm registration number 118598W)

- 5.1.3 The Offer Price of ₹ 461/- (Rupees Four Hundred Sixty One only) per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, in view of the following:

Parameters prescribed under the SEBI (SAST) Regulations for the determining the offer price in case of direct acquisitions, where the equity shares of the Target Company are frequently traded		
(a)	Highest negotiated price per Equity Share under the Share Purchase Agreement.	Not applicable
(b)	Volume-weighted average price paid by the Acquirers or by any person acting in concert with them, during the 52 weeks immediately preceding the date of the PA.	Not applicable
(c)	Highest price paid or payable for any acquisition, whether by the Acquirers or by any person acting in concert with them, during the 26 weeks immediately preceding the date of the PA.	Not applicable
(d)	Volume-weighted average market price of the Equity Shares for a period of 60 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 are recorded during such period.	₹ 415.37/-

(Source: CA certificate dated May 9, 2014 issued by K. J. Sheth & Associates, Chartered Accountants, firm registration number 118598W)

- 5.1.4 The price and volume data of the Equity Shares on BSE, i.e. where the Equity Shares are most frequently traded, for a period of 60 (sixty) trading days immediately preceding the date of the PA, as per regulation 8(2) of the SEBI (SAST) Regulations, are set forth below:

(Source: BSE website)

Trading day	Date	Turnover (in ₹)	Total traded quantity (in no. of equity shares)
1	8-May-14	1,529,137	3,553
2	7-May-14	366,450	850
3	6-May-14	532,719	1,252
4	5-May-14	7,243,401	17,461
5	2-May-14	7,068,425	16,956
6	30-Apr-14	847,420	1,997
7	29-Apr-14	301,943	710
8	28-Apr-14	332,110	774
9	25-Apr-14	1,256,559	3,015
10	23-Apr-14	369,748	911
11	22-Apr-14	101,627	252
12	21-Apr-14	545,915	1,325
13	17-Apr-14	131,915	318

Trading day	Date	Turnover (in ₹)	Total traded quantity (in no. of equity shares)
14	16-Apr-14	232,653	567
15	15-Apr-14	631,057	1,529
16	11-Apr-14	2,383,901	5,776
17	10-Apr-14	3,359,817	8,092
18	9-Apr-14	3,696,843	8,970
19	7-Apr-14	3,947,900	9,556
20	4-Apr-14	3,436,606	8,315
21	3-Apr-14	2,600,777	6,436
22	2-Apr-14	319,251	795
23	1-Apr-14	1,620,031	3,967
24	31-Mar-14	241,310	614
25	28-Mar-14	1,791,217	4,484
26	27-Mar-14	243,815	609
27	26-Mar-14	374,430	932
28	25-Mar-14	137,885	335
29	24-Mar-14	4,903,445	11,355
30	22-Mar-14	109,992	255
31	21-Mar-14	688,613	1,618
32	20-Mar-14	84,789	196
33	19-Mar-14	102,776	232
34	18-Mar-14	1,654,810	3,677
35	14-Mar-14	11,750,677	27,273
36	13-Mar-14	1,090,977	2,430
37	12-Mar-14	2,946,289	6,436
38	11-Mar-14	3,018,816	6,926
39	10-Mar-14	7,075,797	17,057
40	7-Mar-14	2,221,099	5,429
41	6-Mar-14	3,498,216	8,676
42	5-Mar-14	133,125,107	299,771
43	4-Mar-14	11,189,821	25,706
44	3-Mar-14	12,151,096	29,308
45	28-Feb-14	298,939	757
46	26-Feb-14	6,320,360	16,805
47	25-Feb-14	3,411,138	9,523
48	24-Feb-14	1,148,536	3,372
49	21-Feb-14	1,053,357	3,244
50	20-Feb-14	951,029	3,100
51	19-Feb-14	375,562	1,303
52	18-Feb-14	1,999,131	6,930
53	17-Feb-14	51,814	180
54	14-Feb-14	161,599	563
55	13-Feb-14	146,095	498

Trading day	Date	Turnover (in ₹)	Total traded quantity (in no. of equity shares)
56	12-Feb-14	4,126,658	13,642
57	11-Feb-14	4,855,223	16,705
58	10-Feb-14	6,201,646	21,386
59	7-Feb-14	697,773	2,441
60	6-Feb-14	239,685	818
Total		273,295,727	657,963
Volume weighted average price during the period: ₹ 415.37/-			

- 5.1.5 On March 30, 2005, Surya E com Private Limited (“SEPL”), a private limited company acquired 4,000 Equity Shares of the Target Company representing 0.13% of the then Voting Share Capital. At the time of such acquisition, SEPL was a public shareholder of the Target Company. On April 25, 2005, one of the promoter group entities of the Target Company acquired 30.28% of the share capital of SEPL (“**Acquisition**”).

Prior to such Acquisition, the aggregate holding of the promoter group of the Target Company was 4,57,638 Equity Shares representing 14.91% of the then Voting Share Capital. The Acquisition did not result in the promoters of the Target Company acquiring any control over SEPL or the ability to exercise the voting rights held by SEPL in the Target Company. However, since the promoters of the Target Company held more than 26% of the share capital of SEPL, pursuant to this Acquisition, SEPL’s holding in the Target Company was categorized as that of “promoter group” as per the definition of “promoter group” under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable at that time. Such categorization of SEPL as part “promoter group” of the Target Company resulted in the aggregate promoter group holding in the Target Company crossing the 15% threshold prescribed under Regulation 10 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. However, since the promoter group of the Target Company did not acquire any control over SEPL or the ability to direct the manner in which SEPL exercised its voting rights in the Target Company, the promoters were under the bona fide belief that the Acquisition did not result in any obligation to make an open offer and that the categorization was necessary merely on account of the definition of “promoter group” under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable at that time.

As such, no public announcement of an open offer was made by the promoters of the Target Company upon consummation of the Acquisition. However, should the promoters have made such public announcement, the offer price in such offer resulting from the Acquisition would have been ₹ 111.88 per Equity Share based on parameters provided under Regulations 20(4) and 20(5) of Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as described below:

The Equity Shares of the Target Company were then listed on the BSE and the MSE and were frequently traded on BSE and infrequently traded on MSE as per explanation (i) to Regulation 20 (5) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 1997, the Equity Shares were frequently traded on BSE and infrequently traded on MSE. In this regard, K. J. Sheth & Associates, Chartered Accountants, firm registration number 118598W (2nd Floor, Seksaria Chambers, 139, N.M. Road, Fort, Mumbai - 400 001; Phone: +91 22 2267 1618; Email: kirit.sheth@kjsa.org) have vide their valuation report dated May 21, 2014 have computed the value per share as per the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as ₹ 99.90/- per Equity Share, under Regulation 20(5) of the Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. As per the provisions of Regulation 20 (4) of the Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, such price would have been ₹ 111.88/- per Equity Shares.

- 5.1.6 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (Source: BSE website)
- 5.1.7 There has been no revision in the Offer Price or to the Offer Size as on the date of this Letter of Offer.
- 5.1.8 In the event of acquisition of the Equity Shares by the Acquirers and/or the PAC during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirers and/or the PAC shall not acquire any Equity Shares after the 3rd working day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be done at any time prior to the commencement of the last 3 working days 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 Acquirers and the PAC shall (i) make further deposits into the Offer Escrow Account; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform the BSE, the MSE, the SEBI and the Target Company at its registered office of such revision.

5.2 Financial Arrangement

- 5.2.1 The total funding requirement for this Offer is ₹ 36,81,49,990/-, assuming full acceptance of this Offer.
- 5.2.2 The Acquirers and the PAC have made firm financial arrangements for fulfilling the payment obligations under this Offer and the Acquirers will be able to implement this Offer.
- 5.2.3 S Krishnamoorthy & Co., Chartered Accountants (Firm Registration No. 001496S), having office at 'Kanapathy Towers, III Floor, No. 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 (Phone: +91 422 4039900; Fax: +91 422 2536673; Email: skmcoca@skmcoca.com) have certified vide their certificate dated May 7, 2014 that the Acquirers and the PAC have firm and adequate financial arrangements through cash and cash equivalents to meet the payment obligations under the Offer and will be able to implement the Offer.
- 5.2.4 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers, the PAC, the Manager to the Offer and Axis Bank Limited having its registered office at Axis Bank Limited, "TRISHUL", Third Floor, Opp. Samartheshwar Temple, near Law Garden, Ellisbridge, Ahmedabad – 380 006 and acting through its branch at Coimbatore, Tamil Nadu, have entered into an escrow

agreement on May 12, 2014. Pursuant to the Offer Escrow Agreement, the Acquirers and the PAC have established an escrow account under the name and title of “SSIL – Open Offer Escrow Account” with the Axis Bank Limited and has made a cash deposit of ₹ 9,20,50,000/- in the Offer Escrow Account which is more than 25% of the Maximum Consideration. The Manager to the Offer has been duly authorized to realize the monies lying to the credit of the Offer Escrow Account in terms of the SEBI (SAST) Regulations.

- 5.2.5 Based on the above, the Manager to the Offer is satisfied that firm financial arrangements for funds and money for payment through verifiable means are in place to fulfill the obligations of the Acquirers and the PAC under this Offer.

6. TERMS AND CONDITIONS OF THIS OFFER

- 6.1 This Offer is being made by the Acquirers and the PAC to (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on Wednesday, June 18, 2014, i.e. the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on Wednesday, June 18, 2014, i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer, i.e., Tuesday, July 15, 2014, but who are not the registered Shareholders.
- 6.2 This Offer is being made by the Acquirers and the PAC to all the Shareholders, to acquire up to 7,89,590 Equity Shares, representing 26% of the Voting Share Capital, as of the 10th Working Day from the Closure of the Tendering Period, subject to the terms and conditions mentioned in the PA, DPS and this Letter of Offer.
- 6.3 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- 6.4 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 6.5 There has been no revision in the Offer Price or the Offer Size as of the date of this Letter of Offer. In the event of acquisition of the Equity Shares by the Acquirers and/or the PAC during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirers and the PAC shall not acquire any Equity Shares after the 3rd Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 6.6 An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers and the PAC shall: (i) make further deposits into the Offer Escrow Account; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneously with the issue of such announcement, inform the Stock Exchanges, SEBI and the Target Company at its registered office.
- 6.7 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms of this Offer.
- 6.8 Accidental omission to dispatch this Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of this Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

- 6.9 Each Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.
- 6.10 The Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Acquirers shall acquire the Equity Shares that are validly accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereof.
- 6.11 The acceptance of this Offer is entirely at the discretion of the Shareholders. The Acquirers and the PAC will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interests in this regard.
- 6.12 The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the address mentioned in paragraph 7.3 below on or before 5:00 pm on Tuesday, July 15, 2014, i.e., Closure of the Tendering Period. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Shareholder, the Acquirers and the PAC reserve the right to reject the acceptance of this Offer by such Shareholder.
- 6.13 The Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, DPS and this Letter of Offer, are **not** entitled to withdraw such acceptance during the Tendering Period for this Offer.
- 6.14 In the event that the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.15 below.
- 6.15 To the best of the knowledge of the Acquirers and the PAC, the Target Company has no Equity Shares that are currently locked-in. (*Source: BSE website*)
- 6.16 **Statutory & Other Approvals**
- 6.16.1 As on the date of this Letter of Offer, the Acquirers and the PAC are not aware of any statutory approvals required by the Acquirers and/or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirers and/or the PAC at a later date, this Offer shall be subject to such approvals.
- 6.16.2 If the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and whether on repatriable basis or non repatriable. In the event such approvals are not submitted, the Acquirers and the PAC reserve the right to reject such Equity Shares tendered in this Offer.
- 6.16.3 In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirers and/or the PAC agreeing to pay interest to the Shareholders for delay beyond 10

Working Days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all Shareholders, the Acquirers will have the option to pay consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

- 6.16.4 The Acquirers and the PAC will have the right to withdraw this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals that may become applicable in future for completing this Offer are refused or not obtained. In the event of withdrawal of this Offer, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the BSE, the MSE, the SEBI and the Target Company at its registered office.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

- 7.1 This Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Shareholders, whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective Depositories, as of the close of business on Wednesday, June 18, 2014, i.e. the Identified Date.
- 7.2 The Shareholders can also download this Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at www.sebi.gov.in.
- 7.3 The Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, so as to reach the Registrar to the Offer during business hours on all Working Days or before 5:00 pm on Tuesday, July 15, 2014, i.e., Closure of the Tendering Period, in accordance with the procedure as set out in this Letter of Offer.
- 7.4 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirers, the PAC or the Target Company.
- 7.5 Applicants who cannot hand deliver their documents, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at: S.K.D.C Consultants Limited, Kanapathy Towers, III Floor, No. 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006; Contact Person: Mr. K. Jaykumar, Phone: +91 422 6549995 / 2539835; Fax: +91 422 2539837; Email: info@skdc-consultants.com, so as to reach the Registrar to the Offer on or before 5:00 pm on Tuesday, July 15, 2014, i.e., Closure of the Tendering Period.
- 7.6 **Shareholders who are holding Equity Shares in physical form:**
- 7.6.1 The Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the Equity Share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in this Letter of Offer and the Form of Acceptance-cum-Acknowledgement along with self-attested copy of PAN Card of all the transferors are required to be submitted.
- 7.6.2 Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness

details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.

- 7.6.3 Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer.

7.7 Shareholders who are holding Equity Shares in dematerialized form:

- 7.7.1 Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.

- 7.7.2 The Registrar to the Offer has opened a special depository account with Stock Holding Corporation of India Limited called "SSIL Open Offer Escrow Demat Account". The Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Depository Escrow Account:

Depository Participant Name	Stock Holding Corporation of India Limited
DP ID	IN301080
Client ID	22841349
ISIN	INE091C01017
Account Name	SSIL Open Offer Escrow Demat Account
Depository	National Securities Depository Limited (NSDL)

- 7.7.3 **The Shareholders having their beneficiary account in Central Depository Services (India) Limited (CDSL) shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Depository Escrow Account with NSDL.**

- 7.7.4 It is the sole responsibility of the Shareholders to ensure credit of their Equity Shares in the Depository Escrow Account, on or before 5:00 pm on Tuesday, July 15, 2014, i.e. Closure of the Tendering Period.

- 7.7.5 The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period is liable to be rejected.

- 7.7.6 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

7.8 Shareholders who have sent their Equity Shares for dematerialization:

- 7.8.1 The Shareholders who have sent their Equity Shares for dematerialization, who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder's DP, in accordance with the instructions mentioned in paragraph 7.7 above. The

Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Shareholder(s) whose name appears on the Equity Share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.

- 7.8.2 Such Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before 5:00 pm on Tuesday, July 15, 2014, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the Equity Share certificate(s) in this Offer as per the procedure mentioned in paragraph 7.6 above.
- 7.9 Unregistered Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificates, valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 5:00 pm on Tuesday, July 15, 2014, i.e. Closure of the Tendering Period. Valid share transfer deed(s), as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self-attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Shareholders. In case the Equity Share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the Equity Share certificate(s) and the transfer deed(s). The Shareholders should ensure that the Equity Share certificate(s) and above documents reach the Registrar to the Offer on or before 5:00 pm on Tuesday, July 15, 2014, i.e., Closure of the Tendering Period.
- 7.10 The Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:
- duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder is no more;
 - duly attested power of attorney if any person apart from the Shareholder has signed the application form and/or transfer deeds;
 - in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;
 - banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and
 - any other relevant documents.
- 7.11 In case of non-receipt of this Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the

documents as mentioned above so as to reach the Registrar to the Offer on or before 5:00 pm on Tuesday, July 15, 2014, i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, 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 favor of the Depository Escrow Account, so as to reach the Registrar to the Offer, on or before 5:00 pm on Tuesday, July 15, 2014, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Shareholders who have sent their Equity Shares for dematerialization/re-materialization need to ensure that the process of getting Equity Shares dematerialized/rematerialized is completed well in time so that the credit in the Depository Escrow Account is received or physical Equity Share certificates are received by the Registrar to the Offer on or before 5:00 pm on Tuesday, July 15, 2014, i.e. Closure of the Tendering Period, else their application would be rejected.

- 7.12 If the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholders should state that the Equity Shares are held under general permission and whether on repatriable or non repatriable basis. In the event such approvals are not submitted, the Acquirers and the PAC reserve the right to reject such Equity Shares tendered in this Offer.

As on the date of this Letter of Offer, the Acquirers and the PAC are not aware of any statutory approvals required by the Acquirers and/or the PAC to complete this Offer. In case of delay in receipt of any statutory approvals, which may be required by the Acquirers and/or the PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Shareholders, the Acquirers will have the option to pay consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

- 7.13 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Applications in respect of the Equity Shares that are the subject of litigation, wherein the Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. This Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- 7.14 The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Shareholders whose Equity Shares have been validly accepted in this Offer, till completion of formalities relating to this Offer. In case of Equity Shares tendered in physical form, where the original Equity Share certificates are required

to be split, all the documents will be returned only upon receipt of the Equity Share certificates from the Target Company.

- 7.15 If the aggregate valid responses to this Offer by the Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Shareholders will be accepted 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 the 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 1 Equity Share. (Source: BSE website)
- 7.16 Unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by registered / speed post at the Shareholders'/unregistered Shareholders' sole risk to the sole/first Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of the formalities relating to this Offer.
- 7.17 Payment to those Shareholders whose Equity Shares and other documents are found valid and in order and are approved by the Acquirers / PAC, will be by way of a bankers' cheque/ demand draft/ direct credit/ NECS/ NEFT/ RTGS, so as to avoid fraudulent encashment in transit. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). For Equity Shares that are tendered in dematerialised form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars and not from any details provided in the Form of Acceptance cum Acknowledgement. The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares; and/or (ii) the Equity Share certificates for any rejected Equity Shares, will be dispatched to the Shareholders by registered / speed post or by ordinary post as the case may be*, at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.
- * Dispatches involving payment of a value in excess of ₹1,500 will be made by registered / speed post at the Shareholder's sole risk. All other dispatches will be made by ordinary post at the Shareholder's sole risk.*
- 7.18 For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through NECS / NEFT / RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered/speed post at the Shareholder's sole risk.
- 7.19 All bankers' cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/demand draft.

7.20 **Compliance with Tax requirements:**

7.21.1 **General:**

- (a) As per the provisions of Section 195(1) of the Income Tax Act, 1961 (“**Income Tax Act**”), read with part II of the First Schedule to the Finance Act, 2013, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable to the Shareholders whose Equity Shares are validly accepted in this Offer would be chargeable to capital gains under Section 45 of the Income Tax Act or as business profits, as the case may be, the Acquirers are required to deduct taxes at source (including surcharge and education cess).
- (b) In case of delay in receipt of statutory approvals, as provided in paragraphs 6.16.1 above, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirers and/or the PAC agreeing to pay interest to the Shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time.
- (c) As per the provisions of Section 194A and 195 of the Income Tax Act, read with part II of the First Schedule to the Finance Act, 2013, a body corporate responsible for paying to residents and non-residents (including FIIs) any income by way of interest, is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable). Since the interest payable to the Shareholders on being directed by SEBI under Regulation 18(11) of the SEBI (SAST) Regulations will be chargeable to income tax under the Income Tax Act, the Acquirers, under Section 194A and 195 of the Income Tax Act, will be required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable) on such interest income.
- (d) In view of provisions of section 206AA of Income Tax Act, resident and non-resident Shareholders (including FIIs) are required to submit their PAN. In case PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirers will arrange to deduct tax at the rate of 20% or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher.
- (e) In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirers, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted at the maximum rate, as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Shareholder.
- (f) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.
- (g) In the case of non – resident shareholders, the rate of deduction of tax and the quantum of amount on which tax rate is to be applied is dependent on several factors. Since the Acquirer does not have in-house information in respect of various non-resident Public Shareholders, such Public Shareholders must specify the details requested in the Bid Form, including but not limited to the following information: (i) Residential status of the Public Shareholder; (ii) Category to which the non-resident Public Shareholder belongs i.e., Non Resident Indian, Overseas Corporate Body, Non-domestic company, FII being a company, FII other than a company or any other non-resident; (iii) Date of acquisition of Equity Shares (to be supported by evidence); (iv) Cost of acquisition (to be supported by evidence) (v) In case of an individual shareholder, who is either a citizen of India or a person of Indian Origin, who claims to be holding shares for more than twelve months, whether shares were

acquired by him / her out of convertibles foreign exchange (to be supported by evidence) (vi) In case of an FII, whether the Equity Shares are held on investment account or trading account; (vii) In case of FII, whether or not it has a permanent establishment in India (viii) Whether any concession in the matter of TDS is claimed based on certificate u/s. 195 / 197 (to be supported by evidence) (ix) Whether any concession in the matter of TDS is claimed under any DTAA (to be supported by evidence).

Further, for the purpose of determining whether the capital gains are short-term or long-term, the Acquirers shall, if required, cross verify the details provided by the shareholder with the information obtained from the Company.

- (h) Any non – resident shareholder claiming benefit under any Double Taxation Avoidance Agreement (“DTAA”) between India and any other foreign country should furnish ‘Tax Residence Certificate’ provided to him / it by the income tax authority of such other foreign country of which he / it claims to be a tax resident.
- (i) In case the non – resident / resident shareholder furnishes certificate from the Income Tax authorities under Section 195(3) or under section 197(1) of the Income Tax Act, 1961 tax will be deducted at source in accordance with the certificate.

7.21.2 For all non – resident shareholders except FII:

- (i) In computing the amount of TDS, to be eligible for (a) deduction for cost of acquisition and (b) lower rate of Tax Deduction at Source as applicable to Long Term Capital Gain the shareholder will need to provide following documents:
 - (1) Document evidencing price at which shares were acquired e.g. broker invoice
 - (2) Document evidencing the date on which the shares were acquired e.g. broker invoice
 - (3) To be eligible for lower rate of tax deduction, an individual shareholder, who is either an Indian Citizen or a Person of Indian Origin, document evidencing twin facts namely (i) shares are held for more than twelve months and (ii) shares were acquired by the individual himself / herself using convertible foreign exchange. The document can be in the form of either (a) extract of relevant pages of demat account or (b) bank certificate.
- (ii) In absence of the above documents, the tax will be deducted at source on the entire consideration payable to the shareholder treating the nature of gain as short-term capital gains or business profits as the case may be. In their absence, no deduction will be made in computing taxable gain and no concessional rate of TDS (as applicable to Long Term Capital Gain) will be applied.

7.21.3 For Foreign Institutional Investors (“FII”):

The Acquirers will not deduct tax at source on the consideration payable under the open offer if the shares are held on investment/ capital account in view of the provisions of Section 196D(2) of the Income Tax Act, 1961 read with Section 115AD of the Income Tax Act, 1961. Tax will be deducted at source at the applicable rates (including surcharge and education cess as applicable) on the consideration payable under the open offer if the shares are held on trade account or if the FII fails to certify in the bid form that the shares are held by it on investment/capital account.

7.21.4 Tax to be deducted in case of resident Shareholders

- (a) In absence of any specific provision under the Income Tax Act, the Acquirers will not deduct tax on

the consideration payable to resident Shareholders for acquisition of Equity Shares.

- (b) The Acquirers will deduct the tax at the stipulated rates on interest, if any, payable to resident Shareholders, if the amount of interest payable is in excess of ₹ 5,000.
- (c) The resident Shareholder claiming that no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-Acknowledgement, a certificate under Section 197 of the Income Tax Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirers or, in the case of resident Shareholder not being a company or firm, a self-declaration in Form 15G or Form 15H, as may be applicable. The self-declaration in Form 15G or Form 15H would not be valid unless the Shareholder furnishes PAN in such declaration. In case the aforesaid certificate under Section 197 of the Income Tax Act or Form 15G or 15H, if applicable, is not submitted, the Acquirers will arrange to deduct tax at the rate, as may be applicable to the category of the Shareholder under the Income Tax Act.
- (d) No tax is to be deducted on interest amount in the case of resident Shareholder being a mutual fund as per Section 10(23D) of the Income Tax Act or a bank or an entity specified under Section 194A(3)(iii) of the Income Tax Act, if it submits a copy of the relevant registration or notification along with the Form of Acceptance-cum-Acknowledgement.

7.21.5 Issue of tax deduction at source certificate

The Acquirers will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

7.21.6 Withholding taxes in respect of overseas jurisdictions

Apart from the above, the Acquirers will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes (“**Overseas Tax**”).

For this purpose, the non-resident Shareholder shall duly represent in the Form of Acceptance-cum-Acknowledgement, the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirers will be entitled to rely on this representation at their/its sole discretion.

- 7.21.7 Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

Further, the tax laws as mentioned above are based on the prevailing provisions of the Income Tax Act, 1961 and may undergo change in view of any amendment (more particularly after the passage of Finance Act, 2014) if any made in the Income Tax Act, 1961.

The Acquirers will be statutorily required to apply the rates and other provisions related to tax deduction at source as applicable at the time of acceptance of share under open offer / payment to shareholders.

Taxes once deducted will not be refunded under any circumstances.

8 DOCUMENTS FOR INSPECTION

- 8.1 The following documents are available for inspection to the Shareholders at the office of the LLSL at 34-A, Kamaraj Road, Coimbatore - 641 018, Tamil Nadu, between 11:00 am and 4:00 pm on all Working Days (except Saturdays, Sundays and bank holidays) till Tuesday, July 15, 2014, i.e. the Closure of the Tendering Period:
- 8.1.1 Copies of the certificates of incorporation, memorandum of association and articles of association of the Acquirers;
 - 8.1.2 Copy of certificate dated May 12, 2014, issued by S Krishnamoorthy & Co., Chartered Accountants certifying the networth of the PAC;
 - 8.1.3 Copy of certificate dated May 7, 2014, issued by S Krishnamoorthy & Co., Chartered Accountants certifying the firm financial arrangement for the Offer;
 - 8.1.4 Copies of the audited annual accounts of LCCL for the last 3 financial years ended on March 31, 2013, March 31, 2012 and March 31, 2011 and unaudited financial information which has been subject to limited review, as at and for the nine months period ended December 31, 2013;
 - 8.1.5 Copies of the audited annual accounts of LLSL for the last 3 financial years ended on March 31, 2013, March 31, 2012 and March 31, 2011 and audited accounts for the nine months period ended December 31, 2013;
 - 8.1.6 Copies of the audited annual accounts of the Target Company for the last 3 financial years ended on March 31, 2013, March 31, 2012 and March 31, 2011 and unaudited financial information which has been subject to limited review, as at and for the nine months period ended December 31, 2013;
 - 8.1.7 Copy of the letter dated May 13, 2014 issued by Axis Bank Limited, confirming the amounts kept in the Offer Escrow Account;
 - 8.1.8 Copy of the Offer Escrow Agreement;
 - 8.1.9 Copy of the PA, DPS [and the Offer opening public announcement];
 - 8.1.10 [Copy of the recommendation made by the Target Company's committee of independent directors, as required under Regulation 26(7) of the SEBI (SAST) Regulations];
 - 8.1.11 [Copy of the letter from SEBI dated [●] containing its comments on this Letter of Offer]; and
 - 8.1.12 Copy of the agreement dated May 15, 2014, entered into by the Acquirers, the PAC and the Registrar to the Offer for opening of the Depository Escrow Account for the purposes of this Offer.

9 DECLARATION BY THE ACQUIRERS AND THE PAC

- 9.21 The Acquirers, along with their respective directors, and the PAC accept full responsibility for the obligations of the Acquirers and the PAC as laid down in terms of the SEBI (SAST) Regulations and for the information contained in this Letter of Offer. All information pertaining to the Target Company in this Letter of Offer has been obtained from publicly available sources.
- 9.22 The Acquirers and the PAC shall be jointly and severally responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations laid down in the SEBI (SAST) Regulations.
- 9.23 The information contained in this Letter of Offer is as of the date of this Letter of Offer, unless expressly stated otherwise.

Signed by the Acquirers and the PAC:

**On behalf of Lakshmi Cargo
Company Limited**

**On behalf of Lakshmi Life
Sciences Limited**

Sri. Sanjay Jayavarthanavelu

Authorised Signatory

Name:

Designation:

Authorised Signatory

Name:

Designation:

Date: May 26, 2014

Place: Coimbatore

Enclosed:

Form of Acceptance-cum-Acknowledgement

Share Transfer Form (only to Shareholders holding Shares in physical form)