LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer (**LOF**) is sent to you as an equity shareholder(s) of **SWISS GLASCOAT EQUIPMENTS LIMITED** (hereinafter referred as "**SGEL**" or "**the Target Company**" or "**TC**"). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your equity shares in the Company, please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of stock exchange through whom the said sale was effected.

OPEN OFFER ("OFFER")

BY

HLE ENGINEERS PRIVATE LIMITED ("Acquirer 1"/"HLE")

Having Registered Office at Survey No.60/1 Gr. Floor, Plot-1&2, Nr. Shukan Bungalow, Opp. Maheshvari Bhavan, City Light Area, Surat 395001, Gujarat, India.

Tel. No.: +91 2637-270150 **Email:** himanshu@hlengineers.com

AND

Mr. Himanshu K. Patel ("Acquirer 2")

Residing at Bunglow-23, Sarjan Co-op Housing Society., Nr. Himson Bungalow, Athwa Lines, Parle Point, Surat 395001, Gujarat, India

Tel: +91-2637-270150; **Email:** himanshu@hlengineers.com

AND

Mr. Nilesh K. Patel ("Acquirer 3")

Residing at Plot No. 1, Yashasvi Bungalow, Opposite Petrol Pump, Pink and Blue Nursery, Shukan Bungalow, City Light, Surat 395007 Gujarat, India.

Tel: +91-2637-270150; **Email:** nilesh@hlengineers.com

AND

Mr. Harsh H. Patel ("Acquirer 4")

Residing at 23, Sarjan Society, Opp. Sargam Shopping Centre, Parle Point, Surat City, Surat 395007, Gujarat, India

Tel: +91-2637-270150; **Email:** harsh@hlengineers.com

AND

Mr. Aalap N. Patel ("Acquirer 5")

Residing at 1-2, Yashasvi Bungalow, Opp. Surat Science Centre, Shukan Bungalow, Compound City Light Area Surat 395007 Gujarat, India.

Tel: +91-2637-270150; **Email:** aalap@hlengineers.com

(Acquirer 1, Acquirer 2, Acquirer 3, Acquirer 4 and Acquirer 5 are collectively referred herein as the "Acquirers" and individually as the "Acquirer")

TO

THE SHAREHOLDERS OF SWISS GLASCOAT EQUIPMENTS LIMITED

Having its Registered Office at H -106, Phase IV, G.I.D.C Estate, Vitthal Udyognagar, Anand 288121, Gujarat, India.

Tel. No. +91-2692-236842/43/44/45**, Fax: +**91-2692-236841 **E-mail:** share@glascoat.com

TO ACQUIRE

UP TO 16,90,000 EQUITY SHARES OF FACE VALUE RS. 10 EACH ("EQUITY SHARES") REPRESENTING IN AGGREGATE 26.00% OF THE EMERGING VOTING EQUITY SHARE CAPITAL OF SWISS GLASCOAT EQUIPMENTS LIMITED, FOR CASH, AT A PRICE OF RS. 130 (RUPEES ONE HUNDRED THIRTY ONLY) PER EQUITY SHARE ("OFFER PRICE")

Please Note:

1. This Offer is being made by the Acquirers pursuant to the Regulations 3(1) and 4 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and subsequent amendments thereof. (**"SEBI (SAST) Regulations, 2011" or "SEBI (SAST) Regulations" or "the Regulations"**).
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
3. As on the date of this Letter of Offer, to the best of the knowledge of the Acquirers, there are no statutory or other approvals (except as referred to in paragraph 7.4 of this Letter of Offer which are required to complete this Offer. Further, in case of any regulatory or statutory or other approval being required at a later date before the Closure of the Tendering Period, the Offer shall be subject to all such approvals and the Acquirers will make the necessary application for such approvals.
4. Non-resident Indians ("NRIs") or Overseas Corporate Bodies ("OCB") shareholders of the Target Company, must obtain all approvals required to tender the Equity Shares held by them in this Offer and submit copy of such approvals, along with the Form of Acceptance-cum-Acknowledgement (as defined) and other documents referred to in paragraph 7.4 that are required to accept this Offer.
5. This Offer is also subject to the satisfaction of the conditions stipulated under the Share Purchase and Share Subscription Agreement (as defined below). In the event that such conditions are not fulfilled for any reason outside the reasonable control of the Acquirers and the Share Purchase and Share Subscription Agreement is rescinded, the Acquirers shall have a right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations.
6. If there is any upward revision in the Offer Price by the Acquirers up to three working days prior to the commencement of the Tendering Period i.e. up to February 16, 2017 or in the case of withdrawal of the Offer, the same would be informed by way of the Public Announcement in the same newspapers where the Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers for all the Equity Shares validly tendered anytime during the Offer.
7. **This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.**
8. There has been no competing offer(s) as of the date of this Letter of Offer.
9. A copy of the Public Announcement, Detailed Public Statement, and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement) are available on the SEBI's website: www.sebi.gov.in
10. All correspondence relating to this Offer, if any, should be addressed to the Registrar to the Offer, viz. Link Intime India Private Limited

OFFER OPENS ON: FEBRUARY 21, 2017, TUESDAY	OFFER CLOSES ON: MARCH 7, 2017 TUESDAY
MANAGER TO THE OFFER	**REGISTRAR TO THE OFFER**
VIVRO	LINK Intime
Vivro Financial Services Private Limited 607,608 Marathon Icon, Opp. Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai-400 013, Maharashtra, India. **Tel No.:** +91-22 – 6666 8040/46; **Fax No.:** +91-22 – 6666 8047 **Email:** investors@vivro.net; **Website:** www.vivro.net **SEBI Registration No.** INM000010122 **CIN:** U67120GJ1996PTC029182 **Contact Person:** Ms. Shashi Singhvi/ Mr. Harish Patel	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra – 400078. **Tel:** +91 22 6171 5400; **Fax:** +91 22 2596 0329 **Email:** swissglascoat.offer@linkintime.co.in, **Website:** www.linkintime.co.in **SEBI Registration No:** INR000004058 **CIN:** U67190MH1999PTC118368 **Contact Person**: Mr. Ganesh Mhatre

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER				
Activity	**Original Date**	**Original Day**	**Revised Date**	**Revised Day**
Issue of Public Announcement (PA)	October 25, 2016	Tuesday	October 25, 2016	Tuesday
Publication of Detailed Public Statement (DPS)	October 28, 2016	Friday	October 28, 2016	Friday
Last date of filing Draft Letter of Offer with SEBI	November 7, 2016	Monday	November 7, 2016	Monday
Last date for public announcement for competing offer(s)	November 22, 2016	Tuesday	November 22, 2016	Tuesday
Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	November 29, 2016	Tuesday	February 3, 2017	Friday
Identified Date*	December 1, 2016	Thursday	February 6, 2017	Monday
Date by which Letter of Offer to be dispatched to the Shareholders	December 8, 2016	Thursday	February 14, 2017	Tuesday
Last date for upward revision of the Offer Price and/ or the Offer Size	December 13, 2016	Tuesday	February 16, 2017	Thursday
Last date by which the recommendation of the committee of independent directors of the Target Company will be published	December 14, 2016	Wednesday	February 17, 2017	Friday
Date of public announcement for opening of the Offer in the newspapers where the DPS has been published	December 15, 2016	Thursday	February 20, 2017	Monday
Date of commencement of Tendering Period (Offer Opening Date)	December 16, 2016	Friday	February 21, 2017	Tuesday
Closure of Tendering Period (Offer Closing Date)	December 29, 2016	Thursday	March 7, 2017	Tuesday
Last date of communicating rejection/ acceptance and payment of consideration for accepted Equity Shares and/ or share certificate(s)/ demat delivery instruction(s) for rejected Equity Shares to be dispatched/ issued	January 12, 2017	Thursday	March 22, 2017	Wednesday
Issue of post Offer advertisement and last date for filing of final report with SEBI	January 19, 2017	Thursday	March 30, 2017	Thursday

"Identified Date" is only for the purpose of determining the names of the Shareholder(s) as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirers and the Sellers under the SPA) are eligible to participate in the Offer any time before the Closure of the Tendering Period.

RISK FACTORS

The risk factors set forth below pertain to the underlying transaction, this Offer and are not intended to be a complete analysis of all risks in relation to this Offer or in association with the Acquirers or the Target Company, but are only indicative. The risk factors set forth below do not relate to the present or future business or operations of the Target Company and any other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder(s) in this Offer, but are merely indicative. Shareholder(s) are advised to consult their stock brokers, tax advisers and/ or investment advisers/ consultants, for analysing all the risks with respect to their participation in this Offer.

Relating to the Transaction:

1. The Offer is subject to (i) the compliance of the terms and conditions as set out under the Share Purchase and Share Subscription Agreement ("**SPSA**") and (ii) receipt of approvals as more particularly set out in paragraph 7.4 of this Letter of Offer. In accordance with the SPSA, the Transaction under the SPSA shall be completed upon the fulfillment of conditions precedent agreed between the Acquirers, the Sellers and the Target Company. In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, if the conditions precedent and other conditions as stated in paragraph 3.1.5 of this Letter of Offer are not met for reasons beyond the reasonable control of the Acquirers and the SPSA is rescinded by the Acquirers as per its terms, the Offer would stand withdrawn.
2. The underlying transaction is subject to completion risks as would be applicable to similar transactions.
3. If, at a later date, any other statutory or regulatory or other approvals are required, the Offer would become subject to receipt of such other additional statutory or regulatory or other approvals.

Relating to the Offer:

1. The tendered Shares will be held in trust by the Registrar to the Offer/ Clearing Corporation until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares and Shareholders will not be able to trade in such Equity Shares held in trust by the Registrar to the Offer/ Clearing Corporation that may adversely impact the Shareholders who have tendered their Equity Shares in this Offer.
2. In case of oversubscription in the Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Shareholders in the Offer will be accepted.
3. The acquisition of Equity Shares tendered by Non-Resident Indian (NRIs) and Overseas Corporate Bodies (OCBs) are subject to approval/ exemption, if applicable, from the Reserve Bank of India (RBI). NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or Foreign Investment Promotion Board (FIPB) or any other regulatory body) and submit copy of such approvals and all other documents required in terms of this Letter of Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) require or 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 copy of such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event that such approvals and/ or documents are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in 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 clarify whether the Equity Shares are held on repatriable basis or non repatriable basis.
4. As of the date of this Letter of Offer, to the best of the knowledge of the Acquirers, other than the following statutory approvals, there are no other statutory approvals required by the Acquirers to complete this Offer:
   (a) In-principle approval from Stock Exchange: In-principle approval from the Stock Exchange for listing of Equity Shares upon conversion of Warrants (as defined below) to be issued to the Acquirer 1 by the Target Company has been obtained by the Target Company in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide letter dated November 11, 2016 by BSE. On conversion and allotment of Equity Shares Final Listing & Trading Permission will be obtained from BSE.
   (b) Approval of the Shareholders of the Target Company: The approval of the shareholders of the Target Company for the issuance of the Warrants has been obtained vide a special resolution passed by the members at the Extra Ordinary General Meeting held on November 21, 2016.
5. In the event that either (a) regulatory approval is not received in a timely manner or (b) there is any litigation leading to stay of the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter

of Offer. Consequently, the payment of consideration to the Shareholders of SGEL, whose Shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the Shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

6. Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
7. The Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Letter of Offer resident in jurisdictions outside India should inform themselves and observe the 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, or the Manager to the Offer to any new or additional registration requirements.
8. The Shareholders are advised to consult their respective tax advisers for assessing the tax liability pursuant to the 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 do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
9. The Acquirers 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, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company. Any person placing reliance on any other source of information will be doing so at his/ her/ its own risk.

Relating to the Acquirers:

1. The Acquirers make no assurances with respect to their investment/ divestment decisions relating to their proposed shareholding in the Target Company.
2. The Acquirers 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 cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

Currency of Presentation:

1. In this Letter of Offer, all references to "Rs."/"Rupees"/"INR"/ "`" are references to Indian Rupee(s), the official currency of India.
2. In this Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/ or regrouping.

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1. DEFINITIONS AND ABBREVIATIONS

Term	Details/ Definition
Acquirer 1 / HLE	**HLE Engineers Private Limited** having its Registered Office at Survey No.60/1 Ground Floor, Plot-1&2, Nr. Shukan Bungalow, Opp. Maheshvari Bhavan, City Light Area, Surat 395001, Gujarat, India
Acquirer 2	**Mr. Himanshu K. Patel** residing at Bunglow-23, Sarjan Co-op Housing Society, Nr. Himson Bungalow, Athwa Lines, Parle Point, Surat 395001, Gujarat, India
Acquirer 3	**Mr. Nilesh K. Patel** residing at Plot No. 1, Yashasvi Bungalow, Opposite Petrol Pump, Pink and Blue Nursery, Shukan Bungalow, City Light, Surat 395007, Gujarat, India
Acquirer 4	**Mr. Harsh H. Patel** residing at 23, Sarjan Society, Opp. Sargam Shopping Centre, Parle Point, Surat City, Surat 395007, Gujarat, India
Acquirer 5	**Mr. Aalap N. Patel** residing at 1-2, Yashasvi Bungalow, Opp. Surat Science Centre, Shukan Bungalow, Compound City Light Area, Surat 395007, Gujarat, India
Acquirers	HLE Engineers Private Limited ("**Acquirer 1"/ "HLE"**), Mr. Himanshu K. Patel ("**Acquirer 2**"), Mr. Nilesh K. Patel ("**Acquirer 3**"), Mr. Harsh H. Patel ("**Acquirer 4**") and Mr. Aalap N. Patel ("**Acquirer 5**") are collectively referred to as "**Acquirers**"
Board of Directors	The Board of Directors of the Target Company/ Swiss Glascoat Equipments Limited
Book Value Per Share	Net worth/ Number of outstanding Equity Shares
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 2013 as amended or modified from time to time and the Companies Act , 1956 to the extent applicable
Clearing Corporation	Clearing Corporation of the Stock Exchange
Closure of Tendering Period	Tuesday, March 07, 2017
Consideration/ Purchase Consideration	Shall mean a sum of Rs. 23,21,73,890 (Rupees Twenty Three Crores Twenty One Lakhs Seventy Three Thousand Eight Hundred and Ninety only), subject to applicable taxes, if any, to be paid by the Acquirers to the Sellers in relation to acquisition of the Sale Shares
Depositories	CDSL and NSDL
DIN	Director Identification Number
DP	Depository Participant
DPS/ Detailed Public Statement	Statement relating to the Offer published on Friday, October 28, 2016 on behalf of the Acquirers in Financial Express (English – all editions), Jansatta (Hindi – all editions), Financial Express (Gujarati edition) and Navshakti (Marathi - Mumbai edition)
DLOF/ Draft Letter of Offer	The Draft Letter of Offer dated November 7, 2016
Eligible Shareholder(s)/ Shareholder(s) for the Offer/ Equity Shareholder(s) / Shareholder(s)	All owners (registered or unregistered) of Equity Shares of the Target Company who own the Equity Shares at any time before the Closure of the Tendering Period, except the Acquirers and the existing Promoters and Promoters Group/ Sellers under the SPSA
Emerging Voting Equity Share Capital	Rs. 6,50,00,000 (Rupees Six Crore Fifty Lakhs only) divided into 65,00,000 Equity Shares of the total share capital of the Target Company, after taking into account the issue and allotment of 15,00,000 Warrants to Acquirer 1, which will be converted into equal number of Equity Shares
EPS	Earnings per Equity Share derived by dividing the Profit after Tax less preference dividend (if any) by number of issued, subscribed and fully paid-up Equity Shares
Equity Shares/ Shares	Fully paid-up Equity Shares of the Target Company, having face value of Rs. 10 each, unless specified otherwise
Equity Share Capital	Rs. 5,00,00,000 (Rupees Five Crore only) consisting of 50,00,000 Fully paid up Equity Shares of Rs. 10 each of the Target Company as on date of this LOF

Term	Details/ Definition
Escrow Account	A cash Escrow Account bearing No. 409000522956 opened by the Acquirers in relation to this Offer with the Escrow Bank empowering the Manager to the Offer to act in compliance with the SEBI (SAST) Regulations
Escrow Agreement	The Escrow Agreement dated October 25, 2016 entered into amongst the Acquirers, the Manager to the Offer and the Escrow Bank
Escrow Bank	RBL Bank Limited (formerly known as Ratnakar Bank Limited), having its registered office at 1st Lane, Shahupuri, Kolhapur - 416001. Maharashtra, India, acting through its branch situated at 3rd Floor, One Indiabulls Centre, Tower 2B, 841, Senapati Bapat Marg, Lower Parel (West), Mumbai 400013, India
FII(s)	Foreign Institutional Investor(s) (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India
Form of Acceptance/ FOA	Form of Acceptance-cum-Acknowledgement
FY	Financial Year
Identified Date	Monday, February 6, 2017, i.e. the date falling on the 10th Working Day prior to the commencement of the Tendering Period for the purpose of identifying Eligible Shareholders to whom the Letter of Offer will be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961 as amended from time to time
ISIN	International Securities Identification Number
Letter of Offer (LOF)	This Letter of Offer including the Form of Acceptance-cum-Acknowledgement to be dispatched to the Shareholders of the Target Company dated February 10, 2017
Listing Agreement	The equity listing agreement entered into by SGEL with BSE
Manager/ Manager to the Offer/ Merchant Banker	Vivro Financial Services Private Limited
MOA	Memorandum of Association of Swiss Glascoat Equipments Limited, as amended
MICR	Magnetic Ink Character Recognition
Negotiated Price	Rs. 130 (Rupees One Hundred Thirty only) per Equity Share
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
N.A.	Not Applicable
Non-Resident Shareholders	Non-Resident Indians and OCBs holding Equity Shares of SGEL
NRI	Non Resident Indian as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/ Open Offer	Open offer being made by the Acquirers to the Shareholders of SGEL (other than the Promoters and Promoters Group and parties to the SPSA) to acquire up to 16,90,000 Equity Shares, representing 26.00% of the Emerging Voting Equity Share Capital of the Target Company at an Offer Price of Rs. 130 (Rupees One Hundred Thirty only) per Equity Share payable in cash
Offer Price	Rs. 130 (Rupees One Hundred Thirty only) per Equity Share of the Target Company payable in cash as determined under Regulation 8 of the SEBI (SAST) Regulations, 2011
Offer Size	Rs. 21,97,00,000 (Rupees Twenty One Crores Ninety Seven Lakhs only) arrived by multiplying 16,90,000 Equity Shares by Offer Price of Rs. 130 per Equity Share of the Target Company
Offer/ Offering Period	Period from the date of Public Announcement to the date of payment of consideration to the Shareholders whose Equity Shares are validly accepted under this Open Offer or the date on which this Offer is withdrawn
PA/ Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirers on October 25, 2016, in accordance with the SEBI (SAST) Regulations
PAN	Permanent Account Number
Promoters and Promoter Group	Persons part of Promoters and Promoter group of Swiss Glascoat Equipments Limited unless specified otherwise

Term	Details/ Definition
Registrar/ Registrar to the Offer	Link Intime India Private Limited
RBI	Reserve Bank of India
Rs./ Rupees/ INR/ `	Indian Rupees, the legal currency of India
RTGS	Real Time Gross Settlement
Sale Shares	Shall mean the maximum of 17,85,953 (Seventeen Lakhs Eighty Five Thousand Nine Hundred and Fifty Three) Equity Shares representing 27.48% of the Emerging Voting Equity Share Capital of the Target Company to be purchased from the Sellers
SEBI/ Board	Securities and Exchange Board of India
SCCR	Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereto
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (SAST) Regulations/ SEBI (SAST) Regulations, 2011/ the Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Selling Shareholders/ Sellers	Mr. Sudarshan Amin, Ms. Nitaben Amin, Ms. Phagun Sudarshan Amin, Ms. Chandni Sudarshan Amin, Mr. Paresh S. Shah, Paresh S. Shah HUF, Mr. Ambalal Prabhudas Patel, Mr. Tanmay Patel, Ms. Urmilaben Ambalal Patel, Mr. Vipul Kashibhai Patel, Ms. Palak Tanmay Patel and Ms. Kalpanaben Sharadchandra Amin
Stock Exchange/ BSE	BSE Limited
Sl. No./ Sr. No.	Serial Number
SPSA/ Agreement	Share Purchase and Share Subscription Agreement entered into between the Acquirers, the Sellers and the Target Company dated October 25, 2016
Target Company/ TC/ SGEL	Swiss Glascoat Equipments Limited
Tendering Period	Period within which Shareholders of the Target Company may tender their Equity Shares in acceptance of the Offer i.e., the period commencing from Tuesday, February 21, 2017 and closing on Tuesday, March 7, 2017 (both days inclusive)
Transaction	Acquisition of (i) Sale Shares of the Target Company by the Acquirers from the Sellers at the Negotiated Price aggregating to Rs. 23,21,73,890 (Rupees Twenty Three Crores Twenty One Lakhs Seventy Three Thousand Eight Hundred Ninety only), subject to the terms and conditions as mentioned in the SPSA and (ii) issue and allotment of 15,00,000 (Fifteen Lakhs) Warrants of the Target Company, which will be converted into an equal number of Equity Shares at a price of Rs. 117 (Rupees One Hundred Seventeen only), including premium of Rs. 107 (Rupees One Hundred Seven only) per Equity Share representing 23.08% of the Emerging Voting Equity Share Capital of the Target Company at a total subscription price of Rs. 17,55,00,000 (Rupees Seventeen Crores Fifty Five Lakhs only) to Acquirer 1
Voting Rights	Shall mean the right to vote attached to the equity share capital as defined in Section 47 (1) of the Companies Act
Warrants/ Warrants convertible into Equity Shares	15,00,000 (Fifteen Lakhs) Warrants convertible into equal numbers of Equity Shares of the Target Company representing 23.08% of the Emerging Voting Equity Share Capital of the Target Company to be issued by the Target Company to Acquirer 1 as per the terms of the SPSA
Working Day	Working days of SEBI

Note: *All terms beginning with a Capital Letter used in this Letter of Offer and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations, 2011, unless otherwise specified.*

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE 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 THE LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SWISS GLASCOAT EQUIPMENTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR OF THE COMPANY WHOSE SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER OF THE OFFER – VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS SUBMITTED ITS DUE DILIGENCE CERTIFICATE DATED NOVEMBER 7, 2016 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT HOWEVER ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of Offer

3.1.1 This Offer is a mandatory offer by the Acquirers in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 and is being made as a result of an agreement for combination of the proposed direct acquisition of Equity Shares and Voting Rights by way of purchase of Equity Shares and subscription to the Warrants convertible into Equity Shares pursuant to the Share Purchase and Share Subscription Agreement, accompanied with a change in control of the Target Company, more particularly stated in para 3.1.2 below. The subsequent acquisition of Equity Shares pursuant to the conversion of the Warrants is contemplated as part of the SPSA and shall not trigger another open offer.

3.1.2 On October 25, 2016 the Acquirers have entered into Share Purchase and Share Subscription Agreement (**"SPSA"**) with the Sellers and the Target Company, whereby (i) the Acquirers have agreed to acquire 17,85,953 fully paid-up Equity Shares ("**Sale Shares**") representing 27.48% of the Emerging Voting Equity Share Capital of the Target Company held by the Promoters / Promoters Group of the Target Company at the Negotiated Price of Rs. 130 (Rupees One Hundred Thirty only) per Equity Share aggregating to Rs. 23,21,73,890 (Rupees Twenty Three Crores Twenty One Lakhs Seventy Three Thousand Eight Hundred Ninety only), subject to the terms and conditions as mentioned in the SPSA and (ii) Acquirer 1 has agreed to subscribe to 15,00,000 (Fifteen Lakhs) Warrants convertible into equal number of Equity Shares of the Company at a price of Rs. 117 (Rupees One Hundred Seventeen only), including premium of Rs. 107 (Rupees One Hundred Seven only) per Equity Share representing 23.08% of the Emerging Voting Equity Share Capital of the Target Company at a total subscription price of Rs. 17,55,00,000 (Rupees Seventeen Crores Fifty Five Lakhs only). On October 25, 2016 the Board of Directors of the Target Company approved the issue of 15,00,000 Warrants convertible into equal number of Equity Shares of the Target Company, subject to receipt of shareholders' approval. On October 27, 2016, the Target Company has dispatched a notice to its shareholders for (i) increase in the authorised share capital of the Target Company and consequent amendment to its Memorandum of Association; (ii) Issue of Warrants convertible into Equity Shares to Acquirer 1 on preferential basis.

3.1.3 As mentioned above, this Offer has been triggered upon the execution of the SPSA. The Offer and the underlying transaction pursuant to the SPSA are also subject to the fulfillment of all the conditions precedent mentioned in the SPSA. Pursuant to Regulation 23 of the SEBI (SAST) Regulations, the Acquirers have the right to withdraw the Offer if any condition precedent stipulated in the SPSA is not met for reasons outside the reasonable control of the Acquirers and pursuant to which the SPSA is rescinded. Such conditions precedent include but are not limited to the following: (a) receipt of all the approvals mentioned in paragraph 7.4 under Section Statutory and Other Approvals of this Letter of Offer; (b) the Target Company having obtained a no objection letter from all its lenders for the proposed Transaction and (c) the warranties provided by the Promoters/Promoters Group and the

Target Company under the SPSA, as applicable, being true, accurate, complete and not misleading in all or any respect.

3.1.4 Pursuant to these events, the Acquirers are making this mandatory Offer in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, to acquire up to 16,90,000 Equity Shares of Face Value of Rs. 10 each representing 26.00% of the Emerging Voting Equity Share Capital of the Target Company (the "Offer Size").

3.1.5 **The salient features of the SPSA are as follows:**

i) The Acquirers have agreed to purchase the Sale Shares and the Sellers have agreed to sell and transfer the Sale Shares to the Acquirers in terms of the SPSA and the Target Company has agreed to issue and allot Warrants convertible into Equity Shares to the Acquirer 1 subject to receipt of shareholders' approval.

ii) The transfer of the Sale Shares and subscription and allotment of the Warrants under the SPSA shall be completed subject to the fulfilment of the conditions precedent agreed between the Acquirers, the Sellers and the Target Company in the SPSA as under:
   a. The representations and warranties of the Sellers and the Target Company being true and correct;
   b. The Sellers and the Target Company not having breached their respective covenants under the SPSA;
   c. The Target Company having taken all the steps necessary to increase its authorized share capital from Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10 (Rupees Ten only) each to Rs. 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10 (Rupees Ten only) each;
   d. The Target Company having obtained a no objection letter from the lenders of the Company in respect of the Transaction contemplated under the SPSA;
   e. The Target Company having obtained a no objection letter from GIDC in which the Target Company's factory is located for its approval of the Transaction contemplated under the SPSA;
   f. The Target Company having passed a special resolution at its general meeting authorizing the Company to issue and allot the Warrants to the Acquirer 1 on the terms and conditions specified in the SPSA;
   g. The Target Company having fulfilled all compliances as prescribed under the Companies Act, 2013 to issue the Warrants on a preferential basis to the Acquirer 1;
   h. The Target Company having obtained an in-principle approval from the Stock Exchange for allotment of Warrants to be issued to the Acquirer 1 in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the SEBI (Listing Obligations and Disclosure Requirements)) Regulations, 2015 as amended from time to time.

iii) The Sellers shall cause the Target Company to, convene and hold a meeting of the Board of Directors of the Target Company wherein the following resolutions will be passed and the following businesses will be transacted:
   a. approve the transfer of the Sale Shares unto and in favour of the Acquirers and/ or their nominee(s);
   b. accept resignation of the directors nominated by the Sellers (other than Mr. Sudarshan Amin) including alternate directors, if any;
   c. approve and authorise changes in the signatories of the bank account(s) of the Company; and
   d. revoke all valid and subsisting powers of attorney issued by the Company up to the closing date, as defined in the SPSA.

iv) Within 14 days from the expiry of 21 days from the date of issue of the Detailed Public Statement, subject to the Acquirers having deposited into the Escrow Account cash of an amount equal to 100% of the Offer Size payable under the Open Offer assuming full acceptance of the Open Offer in accordance with the provisions of the Regulation 22(1), the Sellers shall transfer the Sale Shares to the Acquirers through the Stock Exchange by way of a bulk deal or block deal or by way of an off market transfer as may be mutually agreed upon by the parties, and the Acquirers shall pay to the Sellers the Purchase Consideration due to the Sellers for the transfer of such Sale Shares;

v) Sellers shall not carry on and engage directly or indirectly any "competing business" in any manner for a period of 5 years from the date of SPSA.

3.1.6 Since the Acquirers have deposited into the Escrow Account cash of an amount equal to 100% of the Offer Size payable under the Offer assuming full acceptance of the Offer in accordance with the provisions of Regulation 22(2), the Acquirers may after the expiry of 21 days from the date of issue of the Detailed Public Statement consummate the transaction in terms of Regulation 22(1) and Acquirers can complete the acquisition of the Sale Shares from the Sellers either through the Stock Exchange by way of a bulk deal or block deal or by way of an off market transfer as may be mutually agreed upon by the parties, and the Acquirers shall pay to the Sellers the Purchase Consideration due to the Sellers for the transfer of such Sale Shares;

3.1.7 **Details of the Sellers**

<table>
<tr><th rowspan="3">Sr. No.</th><th rowspan="3">Name of the Sellers</th><th rowspan="3">Address</th><th colspan="4">Details of Shares/ Voting Rights held by the Sellers</th></tr>
<tr><th colspan="2">Pre-Transaction</th><th colspan="2">Post Transaction</th></tr>
<tr><th>No. of Equity Shares</th><th>%</th><th>No. of Equity Shares</th><th>%</th></tr>
<tr><td>1.</td><td>Mr. Sudarshan Amin</td><td>Neeshtha, Vinukaka Marg, Bakrol Vidyanagar Marg, Vallabh Vidyanagar - 388120</td><td>5,71,800</td><td>8.80% of Emerging Voting Equity Share Capital (11.44% of the total paid up Equity Share Capital of the TC as of date)</td><td rowspan="12">NIL</td><td rowspan="12">NIL</td></tr>
<tr><td>2.</td><td>Ms. Nitaben Amin</td><td>Neeshtha Bungalow Vinukaka Marg Bakrol, V.V. Nagar, Anand, Gujarat – 388001</td><td>3,04,600</td><td>4.69% of Emerging Voting Equity Share Capital (6.09% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>3.</td><td>Ms. Phagun Sudarshan Amin</td><td>Neeshtha, Opp. Sauramya, Vinukaka Marg, Bakrol - 388 315</td><td>2,28,202</td><td>3.51% of Emerging Voting Equity Share Capital (4.56% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>4.</td><td>Ms. Chandni Sudarshan Amin</td><td>Neeshtha Bungalow Vinukaka Marg Bakrol, V.V. Nagar, Anand, Gujarat – 388001</td><td>2,28,202</td><td>3.51% of Emerging Voting Equity Share Capital (4.56% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>5.</td><td>Mr. Paresh S. Shah</td><td>35, Vishwas Colony, Alkapuri, Vadodara – 390007</td><td>2,03,975</td><td>3.14% of Emerging Voting Equity Share Capital (4.08% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>6.</td><td>Paresh S. Shah HUF</td><td>“SUVIJ” 35, Vishwas Colony, R.C. Dutt Road, Vadodara</td><td>90,600</td><td>1.39% of Emerging Voting Equity Share Capital (1.81% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>7.</td><td>Mr. Ambalal Prabhudas Patel</td><td>C-4, Pavan, Dharni Park, Nr. H. M. Patel Statue, V.V. Nagar Road, Anand – 388001</td><td>61,300</td><td>0.94% of Emerging Voting Equity Share Capital (1.23% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>8.</td><td>Mr. Tanmay Patel</td><td>C-4, Pavan, Dharni Park, Nr. H. M. Patel Statue, V.V. Nagar Road, Anand – 388001</td><td>47,374</td><td>0.73% of Emerging Voting Equity Share Capital (0.95% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>9.</td><td>Ms. Urmilaben Ambalal Patel</td><td>C-4, Pavan, Dharni Park, Nr. H. M. Patel Statue, V.V. Nagar Road, Anand – 388001</td><td>41,400</td><td>0.64%of Emerging Voting Equity Share Capital (0.83% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>10.</td><td>Mr. Vipul Kashibhai Patel</td><td>Javanika, Bakrol Road, Vallabh Vidyanagar – 388120</td><td>4,000</td><td>0.06% of Emerging Voting Equity Share Capital (0.08% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>11.</td><td>Ms. Palak Tanmay Patel</td><td>C-4, Pavan, Dharni Park, Nr. H. M. Patel Statue, V. V. Nagar Road, Anand - 388001, Gujarat, India</td><td>3,300</td><td>0.05% of Emerging Voting Equity Share Capital (0.07% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td>12.</td><td>Ms. Kalpanaben Sharadchandra Amin</td><td>10 Vaishnav Township, V.V. Nagar – 388120</td><td>1,200</td><td>0.018% of Emerging Voting Equity Share Capital (0.024% of the total paid up Equity Share Capital of the TC as of date)</td></tr>
<tr><td></td><td colspan="2">Total</td><td>17,85,953</td><td>27.48% of Emerging Voting Equity Share Capital (35.72% of the total paid up Equity Share Capital of the TC as of date)</td><td></td><td></td></tr>
</table>

All the Selling Shareholders belong to Promoter and Promoter Group.
The difference if any in the percentages is due to rounding-off

Note:

a. *On completion of the underlying Transaction in terms of the SPSA, the Sellers will not hold any Equity Shares in the Target Company and existing Promoters/ Promoter Group shall cease to be the Promoters of Target Company and relinquish the control in the management of the Target Company.*

3.1.8 The Acquirers have obtained a Condition Precedent Fulfillment Certificates from the Sellers and the Target Company dated December 22, 2016 confirming the completion of the condition precedents as mentioned under clause (ii) of para 3.1.5 of the SPSA.

3.1.9 The Shareholders of the Target Company have by requisite majority approved the allotment of 15,00,000 (Fifteen Lakhs) Warrants convertible into and equal number of Equity Shares of the Company at a price of Rs. 117 (Rupees One Hundred Seventeen only), which price is inclusive of a premium of Rs. 107/- (Rupees One Hundred Seven only) per Equity Share at its Extraordinary General Meeting held on November 21, 2016. Pursuant to this, the Board of Directors of the Target Company vide their meeting held on December 3, 2016 have allotted 15,00,000 (Fifteen Lakhs) Warrants convertible into an equal number of Equity Shares of the Company representing 23.08% of the Emerging Voting Equity Share Capital of the Target Company) to Acquirer 1.

3.1.10 In accordance with the provisions of Regulation 22(2) of SEBI SAST Regulations, the Acquirers had deposited into the Escrow Account cash of an amount equal to 100% of the Offer Size payable under the Offer assuming full acceptance of the Offer and consequently the Acquirers have collectively acquired 17,65,953 Equity Shares representing 27.17% of the Emerging Voting Equity Share capital of the Company through open market purchases and bulk deal transactions on BSE as per the following details:

Name of the Acquirer	Date of Acquisition	Number of Equity Shares	Mode of Acquisition	Acquisition Price (Rs.)	% of total paid up Equity Share Capital	% of Emerging Voting Share Capital
HLE Engineers Private Limited	December 26, 2016	17,25,953	Bulk Deal on BSE	130.00	34.52%	26.55%
Mr. Himanshu K. Patel	December 26, 2016	10,000	Market Purchase on BSE	130.00	0.20%	0.15%
Mr. Nilesh K. Patel	December 26, 2016	10,000	Market Purchase on BSE	130.00	0.20%	0.15%
Mr. Harsh H. Patel	December 26, 2016	10,000	Market Purchase on BSE	130.00	0.20%	0.15%
Mr. Aalap N. Patel	December 26, 2016	10,000	Market Purchase on BSE	130.00	0.20%	0.15%
		17,65,953			**35.32%**	**27.17%**

3.1.11 *The compliance with Regulation 22 of the SEBI (SAST) Regulations, 2011 is under examination of SEBI and SEBI may initiate appropriate action in terms of SEBI (SAST) Regulations, 2011.*

3.1.12 Mr. Himanshu K. Patel, Mr. Nilesh K. Patel, Mr. Harsh K. Patel and Mr. Aalap N. Patel were appointed as additional director at the Board meeting held on December 31, 2016 in the Target Company. Mr. Himanshu K. Patel was appointed as Chairman and Managing Director and Mr. Aalap N. Patel was appointed as Whole Time Director of the Target Company w.e.f. January 1, 2017.

3.1.13 The Offer is not pursuant to any open market purchase or a global acquisition resulting in an indirect acquisition of the Equity Shares of the Target Company.

3.1.14 There is no separate arrangement for the proposed change in control of the Target Company, except for the terms as mentioned in the SPSA.

3.1.15 In order to consummate the Transaction as contemplated in the SPSA prior to the expiry of the Offer Period, the Acquirers have deposited 100% cash into the Escrow Account as per the terms of Regulation 22(2) of the Takeover Regulations.

3.1.16 The Offer is being made by the Acquirers under Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations, 2011. The Acquirers intend to acquire control, change the management of the Target Company and classify themselves as the promoters of the Target Company in accordance with the provisions of Regulation 31A(8) of the SEBI (Listing Obligations and Disclosure Requirements)) Regulations, 2015. As on the date of this Letter of Offer, the Acquirers collectively hold 17,65,953 Equity Shares representing 27.17% of the Emerging Voting Equity Share capital of the Company and the Acquirer 1 holds 15,00,000 (Fifteen Lakhs) Warrants convertible into equal number of Equity Shares of the Company representing 23.08% of the Emerging Voting Equity Share Capital of the Target Company.

3.1.17 Neither the Acquirers nor the Sellers have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.18 The consummation of the purchase of the Sale Shares by the Acquirers and the subscription of Warrants by Acquirer 1, convertible into equal number of Equity Shares as envisaged under the SPSA dated October 25, 2016 amongst the Acquirers, the Sellers and the Target Company, was subject to receipt of the following:

a) The shareholders of the Target Company at their general meeting having approved the preferential allotment of the Warrants convertible into Equity Shares to Acquirer 1; and

b) The Target Company having received the 'in-principle' approval from BSE where the Shares of the Company are listed.

c) Satisfaction of the conditions precedent set out in the SPSA as described in paragraph 3.1.5 above.

All the above approvals /conditions precedent have been complied with.

3.1.19 Apart from the Purchase Consideration, no other compensation, directly or indirectly, is payable to the Sellers under the SPSA or otherwise. The consideration is payable in cash for both the SPSA and the present Offer.

3.1.20 As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, 2011, the Board of Directors of the Target Company have on December 3, 2016 constituted a Committee of Independent Directors to provide their reasoned recommendations on the Offer. The reasoned recommendations are required to be published in the same newspapers in which the Detailed Public Statement was published by not later than February 17, 2017, and simultaneously a copy of such recommendations is required to be sent to SEBI, the Stock Exchange and to the Manager to the Offer.

3.2 **Details of the Proposed Offer**

3.2.1 A Detailed Public Statement as per Regulation 14(3) of SEBI (SAST) Regulations, 2011 pursuant to Public Announcement made by the Acquirers has appeared in the following Newspapers on October 28, 2016:

Name of the Newspaper	Edition	Date
Financial Express	English (All editions)	Friday, October 28, 2016
Jansatta	Hindi (All editions)	Friday, October 28, 2016
Navshakti (Marathi)	Mumbai (Regional edition)	Friday, October 28, 2016
Financial Express (Gujarati)	Anand (Regional edition)	Friday, October 28, 2016

3.2.2 A copy of the PA and DPS are also available on the SEBI's website (www.sebi.gov.in).

3.2.3 This Offer is being made to all the Equity Shareholders of the Target Company other than the Acquirers and Sellers who are the parties to the SPSA dated October 25, 2016 to acquire up to 16,90,000 Equity Shares representing 26.00% of the Emerging Voting Equity Share Capital of the Target Company at a price of Rs. 130 (Rupees One Hundred Thirty only) per Equity Share of the Target Company, payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011 and subject to the terms and conditions set out in the PA, the DPS and this Letter of Offer.

3.2.4 The Acquirers have not acquired any Equity Shares of the Target Company prior to the date of Public Announcement i.e. October 25, 2016 and till the date of the Draft Letter of Offer i.e. November 7, 2016. The Acquirers have thereafter, on December 26, 2016 collectively acquired 17,65,953 Equity Shares through bulk deals and open market purchases on BSE and Acquirer 1 holds 15,00,000 (Fifteen Lakhs) Warrants convertible into equal number of Equity Shares of the Company.

3.2.5 As on date of this LOF, there are no Partly Paid Up Equity Shares, Outstanding Convertible Instruments in the nature of Warrants/Fully Convertible Debentures/Partly Convertible Debentures etc. which are convertible into equity share at any later date in the Target Company except 15,00,000 (Fifteen Lakhs) Warrants convertible into equal number of Equity Shares held by Acquirer 1. Further, there is no differential pricing for the Offer.

3.2.6 This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011 and there are no competing offers as on the date of this Letter of Offer.

3.2.7 This Offer is not conditional and subject to any minimum level of acceptance from the Shareholders of the Target Company, in terms of Regulation 19(1) of SEBI (SAST) Regulations, 2011.

3.2.8 There are no persons acting in concert in relation to this Offer.

3.2.9 All Equity Shares validly tendered by the Shareholders will be acquired by the Acquirer 1 only in accordance with the terms and conditions contained in the DPS and this Letter of Offer. In the event that the Equity Shares validly tendered in the Open Offer by the Shareholders are more than the Offer Size, the acquisition of Equity Shares from each Shareholder will be 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.

3.2.10 The Equity Shares of the Target Company acquired by the Acquirers shall be free from all liens, charges, attachments, claims and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.2.11 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirers have appointed Vivro Financial Services Private Limited as the Manager to the Offer.

3.2.12 The Manager to the Offer, Vivro Financial Services Private Limited, does not hold any Equity Shares in the Target Company as on the date of this Letter of Offer and is not related to the Acquirers and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares of the Target Company during the Offer Period.

3.2.13 Upon completion of the Offer, assuming full acceptance in the Offer and acquisition of Equity Shares under the underlying Transaction in accordance with the SPSA, the Acquirers will hold 49,55,953 (Forty Nine Lakhs Fifty Five Thousand Nine Hundred and Fifty Three) Equity Shares constituting 76.25% of the Emerging Equity Voting Capital of the Target Company. Pursuant to the Open Offer, the public shareholding in the Target Company will reduce below the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and in accordance with the Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Acquirers undertake that if the public shareholding is reduced to below such minimum level, they will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Listing Regulations and other provisions of applicable laws, within the time period mentioned therein.

3.3 **Objects of the Acquisition/ Offer:**

3.3.1 This Offer is being made by the Acquirers to the Shareholders of the Target Company in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, and is being made as a result of a combination of the proposed purchase of Equity Shares and subscription to the Warrants convertible into Equity Shares by the Acquirers pursuant to the SPSA. The subsequent acquisition of Equity Shares pursuant to the conversion of the Warrants is contemplated as part of the SPSA and shall not trigger another open offer. After the completion of this Offer and pursuant to the acquisition of Equity Shares under the SPSA (including on conversion of the Warrants), the Acquirers will hold the majority of Equity Shares by virtue of which the Acquirers shall be in a position to exercise effective control over the management and affairs of the Target Company.

3.3.2 The prime object of the Acquirers behind the acquisition is to have substantial holding of Equity Shares and voting rights accompanied with the change in management and control of the Target Company and to classify themselves as 'Promoters' of the Target Company, in accordance with the provisions of Regulation 31A (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

3.3.3 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, 2011, the Acquirers do not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of the Target Company in the succeeding two years from the completion of this Offer, except in the ordinary course of business. The Acquirers undertake that they will not restructure, sell, lease, dispose off or otherwise encumber any substantial assets of the Target Company other than in the ordinary course of business, except with the prior approval of the Shareholders of the Target Company through a special resolution, passed by way of postal ballot during the succeeding two years from the completion of this Offer.

4. BACKGROUND OF THE ACQUIRERS

4.1 HLE Engineers Private Limited ("Acquirer-1"/"HLE")

4.1.1 HLE, having CIN: U29100GJ1980PTC003739 is a private company and was incorporated under the provisions of Companies Act, 1956, on April 25, 1980 in the name and style of **"Heerasons Chemicals Private Limited"** registered with the Registrar of Companies, Ahmedabad, Gujarat. The name of the Company has been changed to **"HLE Engineers Private Limited"** as per the details given in Para 4.1.4 below, Tel: +91-2637-270150, Email: himanshu@hlengineers.com

4.1.2 The registered office of HLE is situated at Survey No.60/1 Ground Floor, Plot-1&2, Nr. Shukan Bungalow, Opp. Maheshvari Bhavan, City Light Area, Surat 395001, Gujarat, India.

4.1.3 HLE is engaged in the business of manufacture, marketing and sale of filtration, drying and process equipment for the pharmaceutical, chemical, agrochemical and other industries. HLE is one of the leading manufacturers and installers of Agitated Nutsche Filters (ANF), Agitated Nutsche Filter Dryers (ANFD), Rotary Vacuum Paddle Dryers (RVPD) and Filter-Dryers. HLE is also engaged in the manufacture and marketing of specialty and industrial chemicals and intermediates.

4.1.4 The Hon'ble High Court of Gujarat has vide its order dated July 19, 2016 approved the Scheme of Amalgamation of H L E Engineers Private Limited, ("The Transferor Company") with Heerasons Chemicals Private Limited, ("The Transferee Company"), under Sections 391 to 394 of the Companies Act, 1956 and pursuant to the said order, the name of Heerasons Chemicals Private Limited has been changed to HLE Engineers Private Limited. The Registrar of Companies, Gujarat, Ahmedabad, vide its certificate dated August 18, 2016 has approved the new name.

4.1.5 As on the date of this Letter of Offer, the authorised share capital of HLE is Rs. 1,60,00,000 (Rupees One Crore Sixty Lakhs only) comprising of 16,00,000 Equity Shares of Rs. 10 (Rupees Ten only) each. The Issued, Subscribed and Paid-Up Share Capital is Rs. 1,31,35,000 (Rupees One Crore Thirty One Lakhs Thirty Five Thousand only) comprising of 13,13,500 Equity Shares of Rs. 10 (Rupees Ten) each, fully paid up.

4.1.6 The shareholders of HLE are as follows:

Sr. No.	Name of the Shareholders	No. of Shares held	% of Shareholding
A.	**Key Shareholders**		
1.	Mr. Himanshu K. Patel	8,33,166	63.43
2.	Mr. Harsh H. Patel	2,96,084	22.54
3.	Mr. Nilesh K. Patel	77,167	5.87
4.	Mr. Aalap N. Patel	38,583	2.94
B.	**Other Shareholders**		
5.	Ms. Swara Patel	63,000	4.80
6.	Ms. Priti Patel	2,000	0.15
7.	Ms. Kishori Patel	3,500	0.27
	TOTAL	**13,13,500**	**100.00**

4.1.7 The present directors of HLE are Mr. Himanshu K. Patel (DIN: 00202312), Mr. Nilesh K. Patel (DIN: 00141873) and Mr. Harsh H. Patel (DIN: 00141863).

4.1.8 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer 1, are as follows:

Sr. No.	Name of the Director And DIN	Experience	Qualifications	Date of Appointment
1.	Mr. Himanshu K. Patel DIN: 00202312	35 years of experience in the business of chemicals and engineering	Bachelor of Engineering (Electrical)	November 22, 2001
2.	Mr. Nilesh K. Patel DIN: 00141873	25 years of experience in the business of chemicals, engineering and sea food processing	Science Graduate	December 21, 2001
3.	Mr. Harsh K. Patel DIN: 00141863	12 years of experience in the business of chemicals and engineering	B.E. (Chemical Engineering) and Masters of Business Administration	July 30, 2016

4.1.9 Mr. Himanshu K. Patel, Mr. Nilesh K. Patel and Mr. Harsh K. Patel and Aalap N. Patel have been appointed as additional director at the Board Meeting held on December 31, 2016 in the Target Company. Mr. Himanshu K. Patel was appointed as Chairman and Managing Director and Mr. Aalap N. Patel as Whole Time Director w.e.f January 1, 2017 in the Target Company. Except as mentioned herein none of the Directors of HLE are on the board of any other listed company.

4.1.10 The equity shares of the HLE are not listed on any stock exchange.

4.1.11 Brief Audited Financial Statement of HLE for the financial years ended, March 2016, March 2015, March 2014 and Review Report for the 6 months ended September 30, 2016.

(Rs. in lakhs except per share data)

Profit and Loss Statement	As on September, 30, 2016*	For the year ended March 31,		
		2016*	2015	2014
Revenue from operations	4,991.22	12,992.34	543.55	254.22
Other income	41.22	133.39	50.21	4.14
Total Income	**5,032.44**	**13,125.73**	**593.76**	**258.36**
Total Expenditure	5,329.99	11,775.60	552.73	251.73
Profit before Exceptional and Extraordinary items and taxation	(297.55)	1,350.13	41.03	6.64
Exceptional Items	(0.22)	(3.23)	0.09	(0.28)
Profit Before Tax	**(297.78)**	**1,346.89**	**41.12**	**6.36**
Provision for taxation				
Current tax	-	272.64	7.06	1.34
Deferred tax	(135.63)	343.66	(65.98)	(8.96)
Total tax expense	**(135.63)**	**616.30**	**(58.92)**	**(7.62)**
Profit after tax from continuing operations	**(162.14)**	**730.60**	**100.04**	**13.99**

Balance Sheet Statement	As on September, 2016*	For the year ended March 31,		
		2016*	2015	2014
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a) Share capital	131.35	5.35	5.35	5.35
(b) Share Suspense Account	-	126.00	-	-
(c) Reserves and surplus	2,352.65	2,514.79	190.38	90.34
Sub Total (Networth)	**2,484.00**	**2,646.14**	**195.73**	**95.69**
(2) Non-current liabilities				
(a) Long term Borrowings	2,374.44	1,810.99	450.05	359.45
(b) Other Long term Liabilities	0.00	0.00	0.00	0.00
(c) Long term provision	12.40	12.40	18.88	11.74
(d) Deferred tax liabilities (net)	96.15	231.79	0.00	0.00
Sub Total	**2,482.99**	**2,055.18**	**468.93**	**371.19**
(3) Current liabilities				
(a) Short-term borrowings	1,841.98	594.18	0.00	19.52
(b) Trade Payables	2,405.13	1,557.99	97.06	23.08
(c) Other Current Liabilities	3,877.97	905.49	16.39	11.06
(d) Short term provision	40.66	283.30	0.00	0.00
Sub Total	**8,165.75**	**3,340.96**	**113.45**	**53.66**
TOTAL	**1,3132.74**	**8,042.28**	**778.11**	**520.54**
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets	2,789.65	2,183.67	218.31	252.76
(b) Non-current investments	-	-	12.99	12.86
(c) Long term loans and advances	402.81	505.59	46.46	44.55
(d) Other non current assets	2.78	2.78	-	-
(e) Deferred tax assets (Net)	-	-	198.64	132.66
Sub Total	**3,195.23**	**2,692.04**	**476.40**	**442.83**
(2) Current assets				
(a) Inventories	4,333.26	2,804.18	93.27	39.91
(b) Trade Receivables	1,005.01	1,589.96	166.22	14.04
(c) Cash and bank balances	3,427.52	231.32	15.15	3.18
(d) Short term loan and advances	1,048.15	699.34	18.79	19.07
(e) Other current assets	23.57	25.44	8.28	1.51
Sub Total	**9,937.51**	**5,350.24**	**301.71**	**77.71**
TOTAL	**13,132.74**	**8,042.28**	**778.11**	**520.54**
Other Financial Data				
Dividend (%)	0%	0%	0%	0%
Earning Per Share	(12.34)	1,365.6	186.98	26.14

(Source: As per Review Report for the six months ended on September 30, 2016 and Auditors' Reports for the financial year ended on March 31, 2016, March 31, 2015 and March 31, 2014 as audited by M/s. Hiren M. Diwan & Co., Chartered Accountants, having their office at 43, River Palace, Wing "A", Beside Navdi Ovara, Nanpura, Surat 395 001) Gujarat, India)
#Financials for September 2016 and FY 2015-16 are shown after giving effect to the scheme of amalgamation between the Transferor Company and HLE.

4.1.12 As on March 31, 2016 (the date of the last audited accounts) and for the six months ended on September 30, 2016, except as mentioned below, Acquirer 1 does not have any contingent liabilities:

(Rs. in lakhs)

Particulars	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Bank Guarantee	1,286.02	1,527.91	-	-
Bank letter of Credit	660.65	600.00	-	-
Bank letter of Credit in Foreign Currency (USD)	-	-	-	-
Bank letter of Credit in Foreign Currency (EURO)		124.14	-	-

A survey proceeding under section 133A of the Income Tax Act was conducted by the Income Tax Authorities on September 09, 2008. In this regard, the Department of Income Tax had issued a notice under section 156 of the Income Tax Act to the tune of Rs. 355.38 Lakhs by passing an assessment order under section 143(3) of the Income Tax Act. The Company had filed appeals with various Income Tax Authorities over the years. The Company, so far, has paid Rs. 222.75 lakhs under protest and the appeal before the Hon'ble Income Tax Appellate Tribunal, Ahmedabad is pending for hearing as on date of LOF

4.1.13 Acquirer 1 is in compliance with the provisions of Chapter V of SEBI (SAST) Regulations, 2011.

4.2 **Mr. Himanshu K. Patel ("Acquirer 2")**

4.2.1 Mr. Himanshu Patel, son of Mr. Khushalbhai Patel, aged 64 years, is an Indian Resident, residing at Bungalow-23, Sarjan Co-op Housing Society, Nr Himson Bungalow, Athwa Lines, Parel Point, Surat 395001, Gujarat, India, Tel: +91-2637-270150, Email: himanshu@hlengineers.com. Mr. Himanshu K. Patel has completed Bachelor of Engineering (Electrical) from the University of Bombay in the year 1976. He is having more than 35 years of experience in the business of chemicals and engineering.

4.2.2 Mr. Himanshu K. Patel is a promoter/ director in the following companies:

Sr. No.	Name of Company*	Current Designation
1.	HLE Engineers Private Limited	Director
2.	Maroli Udhyognagar Land Development And Management Company Private Limited	Director
3.	Newpar Aromatics Private Limited	Director
4.	HN Indigos Private Limited	Director
5.	Yashashvi Rasayan Private Limited	Director
6.	M/s. HL Equipments	Partner
7.	Swiss Glascoat Equipments Limited	Chairman & Managing Director

** None of the entities mentioned above, are participating or interested or acting in concert with the Acquirers for this Offer other than HLE Engineers Private Limited ("Acquirer 1").*

4.2.3 The net worth of Mr. Himanshu K. Patel as on March 31, 2016 is Rs. 3,597.32 lakhs (Rupees Thirty Five Crores Ninety Seven Lakhs Thirty Two Thousand only) as certified vide certificate dated August 9, 2016 by CA Tejas M Desai, (Membership No. 113760, FRN. 103691W), Partner of M/s. Hiren M. Diwan and Company, Chartered Accountants, having their office at 43, River Palace, Wing "A" Beside Navdi Ovara, Nanpura, Surat 395001, Gujarat, India. Tel.: +91-2637-2470102, Email id: hirenmdiwan@gmail.com.

4.3 **Mr. Nilesh K. Patel ("Acquirer 3")**

4.3.1 Mr. Nilesh Patel, son of Mr. Khushalbhai Patel, aged 55 years, is an Indian Resident, residing at Plot No. 1, Yashasvi Bungalow, Opposite Petrol Pump, Pink and Blue Nursery, Shukan Bungalow, City Light, Surat 395007, Gujarat, India. Tel: +91-2637-270150, Email: nilesh@hlengineers.com. Mr. Nilesh K. Patel is a Science Graduate from University of Bombay. He is having more than 25 years of experience in the business of chemicals, engineering and sea food processing.

4.3.2 Mr. Nilesh K. Patel is a promoter/ director in the following companies:

Sr. No.	Name of Company*	Current Designation
1.	HLE Engineers Private Limited	Director
2.	Maroli Udhyognagar Land Development And Management Company Private Limited	Director
3.	Newpar Aromatics Private Limited	Director
4.	HN Indigos Private Limited	Director
5.	Yashashvi Rasayan Private Limited	Director
6.	M/s. N N Acquatics	Partner
7.	Swiss Glascoat Equipments Limited	Additional Director

** None of the entities mentioned above, are participating or interested or acting in concert with the Acquirers for this Offer other than HLE Engineers Private Limited ("Acquirer 1").*

4.3.3 The net worth of Mr. Nilesh K. Patel as on March 31, 2016 is Rs. 1,675.42 lakhs (Rupees Sixteen Crores Seventy Five Lakhs Forty Two Thousand only) as certified vide certificate dated August 9, 2016 by CA Tejas M Desai, (Membership No. 113760, FRN. 103691W), Partner of M/s. Hiren M. Diwan and Company, Chartered Accountants, having their office at 43, River Palace, Wing "A" Beside Navdi Ovara, Nanpura, Surat 395001, Gujarat, India. Tel.: +91-2637-2470102, Email id: hirenmdiwan@gmail.com.

4.4 **Mr. Harsh H. Patel ("Acquirer 4")**

4.4.1 Mr. Harsh Patel, son of Mr. Himanshu K. Patel, aged 39 years, is an Indian Resident, residing at 23, Sarjan Society, Opp. Sargam Shopping Centre, Parle Point, Surat City, Surat 395007, Gujarat, India Tel: +91-2637-270150, Email: harsh@hlengineers.com. Mr. Harsh H. Patel has completed B.E (Chemical Engineering) from the University of

Mumbai and has completed Masters of Business Administration from the State University of New Jersey in the year 2002. He is having more than 12 years of experience in the business of chemicals and engineering.

4.4.2 Mr. Harsh H. Patel is a promoter/ director in the following companies:

Sr. No.	Name of Company*	Current Designation
1.	HLE Engineers Private Limited	Director
2.	Yashashvi Rasayan Private Limited	Director
3.	Yashashvi Agrochemical Private Limited	Director
4.	M/s. HL Equipments	Partner
5.	Swiss Glascoat Equipments Limited	Additional Director

** None of the entities mentioned above, are participating or interested or acting in concert with the Acquirers for this Offer other than HLE Engineers Private Limited ("Acquirer 1").*

4.4.3 The net worth of Mr. Harsh H. Patel as on March 31, 2016 is Rs. 100.35 lakhs (Rupees One Crore Thirty Five Thousand only) as certified vide certificate dated August 9, 2016 by CA Tejas M Desai, (Membership No. 113760, FRN. 103691W), Partner of M/s. Hiren M. Diwan and Company, Chartered Accountants, having its office at 43, River Palace, Wing "A" Beside Navdi Ovara, Nanpura, Surat 395001, Gujarat, India. Tel.: +91-2637-2470102, Email id: hirenmdiwan@gmail.com.

4.5 **Mr. Aalap N. Patel ("Acquirer 5")**

4.5.1 Mr. Aalap Patel, son of Mr. Nilesh K. Patel, aged 29 years, is an Indian Resident residing at 1-2, Yashasvi Bungalow, Opp. Surat Science Centre, Shukan Bungalow, Compound City Light Area Surat 395007, Gujarat, India. Tel: +91-2637-270150, Email: aalap@hlengineers.com. He has completed Bachelor of Engineering (Mechanical) from the University of Pune in the year 2009 and MBA in Global Management from the Thunderbird School of Global Management in the year 2013. He is having more than 5 years of experience in the business of engineering and sea food processing.

4.5.2 Mr. Aalap N. Patel is a promoter/ director in the following companies:

Sr. No.	Name of Company*	Current Designation
1.	HN Indigos Private Limited	Director
2.	Yashashvi Agrochemical Private Limited	Director
3.	M/s. HL Equipments	Partner
4.	Swiss Glascoat Equipments Limited	Whole Time Director

** None of the entities mentioned above, are participating or interested or acting in concert with the Acquirers for this Open Offer other than HLE Engineers Private Limited ("Acquirer 1").*

4.5.3 The net worth of Mr. Aalap N. Patel as on March 31, 2016 is Rs. 403.53 (Rupees Four Crores Three Lakhs Fifty Three Thousand only) as certified vide certificate dated August 9, 2016 by CA Tejas M Desai, (Membership No. 113760, FRN. 103691W), Partner of M/s. Hiren M. Diwan and Company, Chartered Accountants, having their office at 43, River Palace, Wing "A" Beside Navdi Ovara, Nanpura, Surat 395001, Gujarat, India. Tel. Fax: +91-2637-2470102, Email id: hirenmdiwan@gmail.com.

4.6 None of the Acquirers as mentioned above have been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or any other regulations made under SEBI Act.

4.7 The Acquirers are not forming part of the present Promoter group of the Target Company.

4.8 Mr. Himanshu K. Patel and Mr. Nilesh K. Patel are brothers. Mr. Himanshu K. Patel is the father of Mr. Harsh H. Patel. Mr. Nilesh K. Patel is the father of Mr. Aalap N. Patel.

4.9 Mr. Himanshu K. Patel, Mr. Nilesh K. Patel, Mr. Harsh K. Patel and Mr. Aalap N. Patel have been appointed as additional director at the Board Meeting held on December 31, 2016 in the Target Company. Mr. Himanshu K. Patel has been appointed as Chairman and Managing Director and Mr. Aalap N. Patel has been appointed as a Whole Time Director w.e.f January 1, 2017 in the Target Company. Except as mentioned herein none of the Directors of HLE are on the board of any other listed company.There is no person acting in concert in relation to the Offer within the meaning of 2(1) q (1) of the SEBI (SAST) Regulations.

4.10 The Acquirers have collectively acquired 17,65,953 (representing 27.17% of Emerging Voting Equity Share Capital of the Target Company) Equity Shares of the Target Company through bulk deal/ open market purchases on BSE on December 26, 2016 i.e. between the date of Public Announcement i.e. October 25, 2016and the date of this Letter of Offer Further , Acquirer 1 has also acquired 15,00,000 Warrants convertible into equal number of Equity Shares at a price of Rs. 117 (Rupees One Hundred Seventeen only), including premium of Rs. 107 (Rupees One Hundred Seven only) per Equity Share representing 23.08% of the Emerging Voting Equity Share Capital of the Target Company at a total subscription price of Rs. 17,55,00,000 (Rupees Seventeen Crores Fifty Five Lakhs only) on December 31, 2016.

4.11 The Acquirers have mutually agreed that the Acquirer 1 i.e. HLE Engineers Private Limited shall solely acquire up to 16,90,000 Equity Shares, that are validly tendered under the Offer.

4.12 The consideration received by the Sellers for the Sale Shares under the SPSA constitutes adequate consideration and the Sellers shall not receive any additional compensation in any form.

4.13 Neither the Acquirers nor any of the company with whom the Acquirers are associated is/ are in securities related business and is registered with SEBI as a market intermediary.

4.14 None of the Acquirers have been categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

4.15 The Acquirers will acquire up to 16,90,000 (Sixteen Lakhs Ninety Thousand) Equity Shares that are validly tendered in accordance with the terms of the Offer at the Offer Price. In the event the Equity Shares tendered in the Offer are more than the Equity Shares proposed to be acquired under the Offer, the acquisition of Equity Shares from the Eligible Shareholders will be on a proportionate basis, as detailed in paragraph 8 of this Letter of Offer.

5. BACKGROUND OF THE TARGET COMPANY: SWISS GLASCOAT EQUIPMENTS LIMITED ("TARGET COMPANY" OR "SGEL" OR "TC")

5.1 The Target Company was incorporated on August 26, 1991 under the Companies Act, 1956 in the name and style of Shri Glasteel Equipments Limited as a public limited company. Subsequently, the name of the Target Company was changed to Swiss Glascoat Equipments Limited and a fresh certificate of incorporation consequent to change of name was obtained on March 3, 1992 and the Certificate of Commencement of Business was obtained on March 5, 1992. The CIN of the Target Company is L26100GJ1991PLC016173. The ISIN of the Target Company is INE461D01010.

5.2 The registered office of the Target Company is situated at H -106, Phase IV, G.I.D.C Estate, Vitthal Udyognagar, Anand, Gujarat 388121, India.

5.3 Presently, the Target Company is engaged in the business of design, manufacture, development, dealing, selling and market of standard as well as customized glass lined equipment, reactors, receivers/ storage tanks, dryers, filters, heat exchangers, condensers, columns, agitators, valves, pipes and fittings and spares thereof.

5.4 The Target Company came out with public issue of 30,00,000 Equity Shares of Rs. 10 each for cash at par aggregating to Rs. 300 lakhs in the Financial Year 1993-94.

5.5 As on the date of Letter of Offer, the Authorised Share Capital of SGEL is Rs. 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10 (Rupees Ten only) each.

5.6 The Issued, Subscribed and Paid Up Equity Share Capital is Rs. 5,00,00,000 (Rupees Five Crores only) consisting of 50,00,000 Equity Shares of Rs. 10 each, fully paid up..

5.7 As on date of this Letter of Offer, the capital structure of the Target Company is as follows:

Paid up Equity Shares of the Target Company	No. of Equity shares / Voting Rights	Percentage of Equity Shares / Voting rights
Fully paid up Equity Shares	50,00,000	100%
Partly paid up Equity Shares	Nil	Nil
Total paid up Equity Shares	50,00,000	100%
Total voting rights in Target Company	50,00,000	100%

5.8 As on date of this Letter of Offer, there are 15,00,000 outstanding Warrants convertible into equal number of Equity Shares of Rs. 10/- each

5.9 The Equity Shares of the Target Company are currently listed and traded on BSE Limited with Scrip ID - "SWISSGLA" and Scrip code - "522215" respectively.

5.10 As per the data maintained on the website of the BSE during the twelve calendar months preceding the month in which PA is made, the Equity Shares are frequently traded on the BSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

5.11 As on date of this Letter of Offer, there is no subsidiary or holding company of the Target Company.

5.12 There has been no merger, demerger and spin off in last three years in the Target Company.

5.13 The details of Directors on the Board of SGEL are as below as on date of this Letter of Offer:

Name and Designation	DIN	Date of appointment	Residential Address
Mr. Himanshu K. Patel Chairman & Managing Director	00202312	December 31, 2016	Bungalow-23, Sarjan Co-op Housing Society, Nr Himson Bungalow, Athwa Lines, Parel Point, Surat 395001, Gujarat
Mr. Nilesh K. Patel Additional Director	00141873	December 31, 2016	Plot No. 1, Yashasvi Bungalow, Opposite Petrol Pump, Pink and Blue Nursery, Shukan Bungalow, City Light, Surat 395007, Gujarat
Mr. Harsh H. Patel Additional Director	00141863	December 31, 2016	23, Sarjan Society, Opp. Sargam Shopping Centre, Parle Point, Surat City, Surat 395007, Gujarat,

Name and Designation	DIN	Date of appointment	Residential Address
Mr. Aalap N. Patel Whole Time Director	06858672	December 31, 2016	1-2, Yashasvi Bungalow, Opp. Surat Science Centre, Shukan Bungalow, Compound City Light Area Surat 395007, Gujarat
Ms. Vijayanti Punjabi Additional Director	07651296	December 31, 2016	7/27 Shivaji Niwas, 2nd Road, Near Shivaji Park Ground Shivaji Park Dadar West Mumbai 400028 MH IN
Mr. Sudarshan Purushottamdas Amin Non-Executive Director	01828862	October 1, 2011	Nishtha, Vinukaka Marg Bakrol Road, Vallabh Vidyanagar, Anand 388120 Gujarat, India
Mr. Jagrutbhai Harilal Bhatt Director	00364725	April 7, 2009	Hari Ni Haveli, Vinukaka Marg Lambhvel Raod, Bakrol Anand 388315 Gujarat, India
Mr. Bharat Ramanbhai Patel Director	00401741	April 7, 2009	46, Sahaj, Tulsi Angan Op. Bakrol Gate, VVN-Vadtal Road Bakrol 388315 Gujarat, India
Mr. Dharmesh Jayantibhai Patel Director	2615141	April 7, 2009	3, Ambica Society, Petlad Road Opp. Kidney Hospital Nadiad 387001 Gujarat, India
Mr. Janardan Chandrashankar Shukla (Director)	00906146	June 21, 2016	3 Pankaj Society Race Course Circle Baroda, 390007, Gujarat, India

***Note**: Mr. Himanshu K. Patel, Mr. Nilesh K. Patel, Mr. Harsh H. Patel and Aalap N. Patel are directors representing the Acquirers on the Board of Directors of the Target Company.*

5.14 Brief Audited Standalone Financial Information of SGEL as per the Audited Accounts for the Financial Year ended March 31, 2016, March 31, 2015 and March 31, 2014 and the Unaudited interim financial statements for the Half Year ended September 30, 2016 based on condensed financial results are given below. The said financials have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

(Rs. in lakhs except per share data)

Profit and Loss Statement	For the half year ended September 30, 2016 (Unaudited)	For the year ended March 31,		
		2016 (Audited)	2015 (Audited)	2014 (Audited)
Revenue from operations	3,667.96	9,242.36	8,844.62	7,679.67
Other income	10.59	54.67	49.69	40.07
Total Income	**3,678.55**	**9,297.03**	**8,894.31**	**7,719.74**
Total Expenditure	3,470.78	8,670.64	8,323.99	7,144.49
Profit before Exceptional and Extraordinary items and taxation	207.77	626.39	570.32	575.25
Exceptional Items	-	-	1.50	0.18
Profit Before Tax	**207.77**	**626.39**	**568.83**	**575.06**
Provision for taxation				
Tax expense	69.61	211.01	114.84	194.81
Profit after tax from continuing operations	**138.16**	**415.38**	**453.99**	**380.25**

Balance Sheet Statement	For the half year ended September 30, 2016	As At March 31,		
		2016 (Audited)	2015 (Audited)	2014 (Audited)
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a) Share capital	500.00	500.00	500.00	500.00
(b) Reserves and surplus	2,284.15	2,145.99	1,863.01	1,764.65
Sub Total	**2,784.15**	**2,645.99**	**2,363.01**	**2,264.65**
(2) Non-current liabilities				
(a) Long term Borrowings	660.00	710.00	418.96	107.42
(b) Deferred tax liabilities (Net)	309.41	317.48	293.90	370.31
(c) Other Long term Liabilities	476.33	113.17	178.70	204.90
(d) Long term provisions	-	-	-	-
Sub Total	**1,445.74**	**1,140.65**	**891.56**	**682.63**
(3) Current liabilities				
(a) Short-term borrowings	1,358.36	1,049.32	1,418.05	1,241.31
(b) Trade Payables	1,228.86	1,690.95	1,732.07	1,618.54
(c) Other Current Liabilities	1,711.24	1,291.98	1,797.57	1,296.11
(d) Short-term provisions	-	132.39	161.99	181.80
Sub Total	**4,298.46**	**4,164.64**	**5,109.68**	**4,337.76**
Total	**8,528.35**	**7,951.28**	**8,364.25**	**7,285.04**
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets	2,822.34	2,349.33	2,272.63	2,195.40
(b) Non-current investments	0.08	0.08	0.08	0.08
(c) Long term loans and advances	8.67	8.07	19.04	43.70
(d) Other non current assets	295.37	234.66	212.46	200.96
Sub Total	**3,126.46**	**2,592.14**	**2,504.21**	**2,440.14**
(2) Current assets				
(a) Inventories	4,359.32	4,574.35	5,072.65	4,112.26
(b) Trade Receivables	419.44	381.22	435.70	537.28
(c) Cash and bank balances	285.54	81.54	96.88	55.08
(d) Short term loans and advances	76.69	4.71	0.98	0.94
(e) Other current assets	260.90	317.32	253.83	139.34
Sub Total	**5,401.89**	**5,359.14**	**5,860.04**	**4,844.90**
Total	**8,528.35**	**7,951.28**	**8,364.25**	**7,285.04**

(Source: *Audited Financial Statements for the financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 and limited reviewed and condensed financial results for the half year ended on September 30, 2016*)

5.15 **Other Financial Data**

Particulars	For the half year ended September 30, 2016	For the year ended March 31,		
		2016 (Audited)	2015 (Audited)	2014 (Audited)
Dividend (%)	NIL	22.00%	27.00%	25.00%
Earnings Per Share (In Rs.) (Basic and Diluted)	2.76	8.31	9.08	7.60
Return on Net Worth (%)	4.96%	15.70%	19.21%	16.79%
Book Value Per Share (In Rs.)	55.68	52.92	47.26	45.29

Net Worth = Equity Share Capital + Reserves and Surplus - Misc. Expenses
EPS = Profit after Tax / Number of Shares outstanding
Return on Net Worth = Profit after Tax/ Net Worth
Book Value per Share = Net Worth/ Number of Shares outstanding

5.16 **Pre and Post Shareholding pattern of the Target Company as on the date of this Letter of Offer is as follows:**

Shareholders' Category[#]	**Shareholding and voting rights prior to the SPSA/ acquisition and Offer**		**Shares/ voting rights acquired**		**Shares/ voting rights to be acquired in Offer (assuming full acceptance)**		**Shareholding/ voting rights after the acquisition and Offer**	
	(A)		**(B)**		**(C)**		**(D) = (A)+(B)+(C)**	
	No.	**%£**	**No.**	**%***	**No.**	**%***	**No.**	**%***
1. Promoter and Promoter Group								
a) Parties to the SPSA								
Mr. Sudarshan Amin	5,71,800	11.44	(5,71,800)	(8.80)	-	-	-	-
Ms. Nitaben Amin	3,04,600	6.09	(3,04,600)	(4.69)	-	-	-	-
Ms. Phagun Sudarshan Amin	2,28,202	4.56	(2,28,202)	(3.51)	-	-	-	-
Ms. Chandni Sudarshan Amin	2,28,202	4.56	(2,28,202)	(3.51)	-	-	-	-
Mr. Paresh S. Shah	2,03,975	4.08	(2,03,975)	(3.14)	-	-	-	-
Paresh S. Shah HUF	90,600	1.81	(90,600)	(1.39)	-	-	-	-
Mr. Ambalal Prabhudas Patel	61,300	1.23	(61,300)	(0.94)	-	-	-	-
Mr. Tanmay Patel	47,374	0.95	(47,374)	(0.73)	-	-	-	-
Ms. Urmilaben Ambalal Patel	41,400	0.83	(41,400)	(0.64)	-	-	-	-
Mr. Vipul Kashibhai Patel	4,000	0.08	(4,000)	(0.06)	-	-	-	-
Ms. Palak Tanmay Patel	3,300	0.07	(3,300)	(0.05)	-	-	-	-
Ms. Kalpanaben Sharadchandra Amin	1,200	0.02	(1,200)	(0.018)	-	-	-	-
b) Promoters other than 'a' above	-	-	-	-	-	-	-	-
Total (1) (a+b)	**17,85,953**	**35.72**	**(17,85,953)**	**(27.48)**	-	-	-	-
2. Acquirers:								
(a) HLE Engineers Private Limited	-	-	32,25,953[€]	49.63	16,90,000	26.00	49,15,953	75.63
(b) Mr. Himanshu K. Patel	-	-	10,000	0.15	-	-	10,000	0.15
(c) Mr. Nilesh K. Patel	-	-	10,000	0.15	-	-	10,000	0.15
(d) Mr. Harsh H. Patel	-	-	10,000	0.15	-	-	10,000	0.15
(e) Mr. Aalap N. Patel	-	-	10,000	0.15	-	-	10,000	0.15
(f) PACs[$]	-	-	-	-	-	-	-	-
Total (2) (a+b+c+d+e+f)	-	-	**32,65,953**	**50.25**	**16,90,000**	**26.00**	**49,55,953**	**76.23[@]**
3. Parties to the SPSA other than 1 (a) and 2 above	-	-	-	-	-	-	-	-
4. Public (other than parties to the SPSA)								
a) Bodies Corporate	11,401	0.23	-	-				
b) Individuals	22,17,316	44.35	20,000	0.31%				
c) Others	9,85,330	19.71	-	-				
Total (4) (a+b+c)	**32,14,047**	**64.28**	**20,000**	**0.31%**	**(16,90,000)**	**(26.00)**	**15,44,047**	**23.75**
Grand Total (1+2+3+4)	**50,00,000**	**100.00**	**15,00,000**	**23.08**	**-**	**-**	**65,00,000**	**100.00[@]**

%£ of the total paid-up Equity Share Capital of the Target Company as on the date of this LOF

%* *of Emerging Voting Equity Share Capital of the Target Company*

€ *The Acquirers have acquired 17,65,953 fully paid-up Equity Shares held by the Promoters and Promoters Group of the Target Company and Acquirer 1 has subscribed to 15,00,000 (Fifteen Lakhs) Warrants, convertible into equal number of Equity Shares of the Target Company. The above table assumes full conversion of the Warrants to be so subscribed and allotted.*

 # Number of Shareholders in each category will depend on the response from each category.

$There are no person(s) acting in concert with the Acquirers in this Offer.

@The difference between any percentages is due to rounding-off.

5.17 As on the date of this Letter of Offer, there are 5,228 (Five Thousand Two Hundred and Twenty Eight) Shareholders under the public category.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1. The Equity Shares of the Target Company are currently listed and traded on BSE Limited under "Group XD" (Scrip Code: 522215, Scrip ID: SWISSGLA).

6.1.2. As per the data maintained on the website of the BSE during twelve calendar months preceding the month in which PA is made, the Equity Shares are frequently traded on the BSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations. The annualized trading turnover of the equity shares of the Target Company on BSE based on trading volume during the twelve calendar months preceding the month of PA (October, 2015 to September, 2016) is given below:

Name of the Stock Exchange	Total number of Equity Shares traded during twelve calendar months preceding the month of PA	Total number of listed Equity Shares	Trading Turnover (in terms of % to Total listed Equity Shares)
BSE	10,74,449	50,00,000	21.49%

Source: www.bseindia.com

6.1.3. The Offer Price of Rs. 130 (Rupees One Hundred Thirty only) per Equity Share is justified, in terms of Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, 2011 and the same has been determined after considering the highest of the following:

Sr. No.	Particulars	Price Per Share (Rs.)
(a)	The price at which the Warrants convertible into Equity Shares as approved by the Board of Directors at its meeting held on October 25, 2016 in terms of the SPSA are to be issued and allotted	117.00
(b)	The price agreed to be paid to the Sellers in terms of the SPSA. (a) and (b) jointly attracting the obligation to make a Public Announcement of an Open Offer	130.00
(c)	The volume-weighted average price paid or payable for acquisitions, during the 52 weeks immediately preceding the date of the PA	Not applicable
(d)	The highest price paid or payable for any acquisitions during the 26 weeks immediately preceding the date of Public Announcement	Not applicable
(e)	The volume-weighted average market price for a period of 60 trading days immediately preceding the date of the PA on Stock Exchange	115.96

In compliance with Regulation 8(6) of the SEBI (SAST) Regulations, 2011, the proposed allotment of Warrants convertible into equal number of Equity Shares of the Target Company would be allotted/ converted at a price of Rs. 117 (Rupees One Hundred Seventeen only) including premium of Rs. 107 (Rupees One Hundred Seven only) per Equity Share within 18 months from the date of allotment. Therefore, this pricing parameter has also been taken into consideration while determining the Offer Price.

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

Sr. No.	Date	Total Traded Quantity of Equity Shares	Total Turnover (Rs.)
1.	October 24, 2016	52,123	6,875,106
2.	October 21, 2016	30,585	3,716,314
3.	October 20, 2016	5,925	645,080
4.	October 19, 2016	1,727	193,584
5.	October 18, 2016	2,091	229,317
6.	October 17, 2016	1,954	211,804
7.	October 14, 2016	1,034	111,879
8.	October 13, 2016	3,998	431,267
9.	October 10, 2016	1,050	115,900
10.	October 7, 2016	911	100,273
11.	October 6, 2016	1,049	116,729
12.	October 5, 2016	2,458	283,802
13.	October 4, 2016	2,311	259,228
14.	October 3, 2016	1,932	206,591
15.	September 30, 2016	920	97,093
16.	September 29, 2016	1,263	134,246

Sr. No.	Date	Total Traded Quantity of Equity Shares	Total Turnover (Rs.)
17.	September 28, 2016	4,883	532,879
18.	September 27, 2016	1,592	171,199
19.	September 26, 2016	159	16,854
20.	September 23, 2016	2,127	224,397
21.	September 22, 2016	420	44,425
22.	September 21, 2016	315	33,422
23.	September 20, 2016	2,436	257,328
24.	September 19, 2016	4,816	506,747
25.	September 16, 2016	4,127	445,208
26.	September 15, 2016	3,442	381,356
27.	September 14, 2016	1,899	213,485
28.	September 12, 2016	3,459	378,748
29.	September 9, 2016	1,463	162,256
30.	September 8, 2016	5,120	564,331
31.	September 7, 2016	2,863	316,614
32.	September 6, 2016	1,842	207,127
33.	September 2, 2016	123	13,805
34.	September 1, 2016	1,744	193,003
35.	August 31, 2016	1,752	195,859
36.	August 30, 2016	1,765	203,511
37.	August 29, 2016	667	76,941
38.	August 26, 2016	1,399	162,895
39.	August 25, 2016	738	84,304
40.	August 24, 2016	277	32,184
41.	August 23, 2016	709	82,294
42.	August 22, 2016	3,776	432,248
43.	August 19, 2016	388	43,669
44.	August 18, 2016	408	46,870
45.	August 17, 2016	2,495	284,940
46.	August 16, 2016	5,070	566,885
47.	August 12, 2016	617	69,300
48.	August 11, 2016	5,860	662,114
49.	August 10, 2016	3,068	348,163
50.	August 9, 2016	4,717	528,844
51.	August 8, 2016	8,295	929,221
52.	August 5, 2016	4,676	508,950
53.	August 4, 2016	2,031	215,086
54.	August 3, 2016	6,066	650,991
55.	August 2, 2016	1,770	183,557
56.	August 1, 2016	3,089	320,702
57.	July 29, 2016	6,151	645,311
58.	July 28, 2016	1,980	215,366
59.	July 27, 2016	4,243	465,283
60.	July 26, 2016	20,349	2,239,455
Total		**2,46,517**	**2,85,86,340**
Volume Weighted Average Market Price (Total turnover divided by total traded Equity Shares)			**115.96**

(Source: www.bseindia.com)

6.1.5. Based on the information above, the Manager to the Offer and the Acquirers confirm that the Offer Price of Rs. 130 (Rupees One Hundred Thirty only) per Equity Share ("**Offer Price**") is justified in terms of Regulation 8(1) of the SEBI (SAST) Regulations.

6.1.6. 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.

6.1.7. In the event of further acquisition of Equity Shares of the Target Company by the Acquirers during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, the Acquirers shall not be acquiring any Equity Shares of the Target

Company after the third Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

6.1.8. The Acquirers are permitted to revise the Offer Price upward at any time up to 3 Working Days prior to the commencement of the Tendering Period of this Offer in accordance with the Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such upward revision in the Offer Price, the Acquirers shall make further deposits into the Escrow Account, make a public announcement in the same newspapers where the original Detailed Public Statement has been published and simultaneously inform BSE, SEBI and the Target Company at its registered office of such revision.

6.1.9. As on date of this Letter of Offer, there is no revision in the Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers shall comply with Regulation 18 of the SEBI (SAST) Regulations, 2011 and all other applicable provisions of the SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the Offer Price or Offer Size.

6.1.10. If the Acquirers acquire Equity Shares of the Target Company during the period of twenty-six weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all Shareholders whose Equity Shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer as per the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of Equity Shares of the Target Company whether by way of bulk/ block deals or in any other form.

6.1.11. If there is any revision in the Offer Price on account of future purchases/ competing offers, it will be done any time prior to the commencement of the last three (3) Working Days before the commencement of the Tendering Period and would be notified to the Shareholders by public announcement in the same newspapers where the DPS was published.

6.1.12. The consideration received by the Sellers for the Sale Shares under the SPSA constitutes adequate consideration and the Sellers shall not receive any additional compensation in any form.

6.1.13. The Acquirers have acquired 17,65,953 Equity Shares of the Target Company through bulk deals and open market purchases on BSE from the date of PA up to the date of this Letter of Offer.

6.2. **Financial Arrangement**

6.2.1. The total funds required for the implementation of the Offer (assuming full acceptance), i.e. for the acquisition up to 16,90,000 Equity Shares from the Shareholders of the Target Company at an Offer Price of Rs. 130 (Rupees One Hundred Thirty only) per Equity Share is Rs. 21,97,00,000 (Rupees Twenty One Crores Ninety Seven Lakhs only).

6.2.2. As on the date of the Letter of Offer, Acquirer 1 has adequate financial resources to meet the financial requirements of the Offer. Acquirer 1 proposes to fund the Offer partly from its available funds/ internal accruals and partly from borrowed funds. The Acquirer 1 has made firm arrangements for financial resources required to complete the Open Offer in accordance with Regulation 25(1) of the SEBI (SAST) Regulations, 2011.

6.2.3. Acquirer 1 have made firm financial arrangements for fulfilling the payment obligations under this Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and the Acquirers are able to implement this Offer. RAS & Co., Chartered Accountants (having Firm Registration No. 125261W), having their address at 205-208, Landmark the Mall, near Sayaji Vaibhav Library, Navsari 396 445, Gujarat, Telephone: +91-2637-280506, vide certificate dated October 25, 2016, have certified that HLE has made firm financial arrangements for meeting its financial obligations under the Offer by way of its own funds and borrowings/ loans.

6.2.4. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, 2011, Acquirer 1 and the Manager to the Offer have entered into an Escrow Agreement dated October 25, 2016 with RBL Bank Limited acting through its branch at One Indiabulls Centre, Tower 2B, 3rd Floor, 841, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013, India, Lower Parel, Mumbai ("Escrow Bank"). Acquirer 1 has opened an Escrow Account in the name and style of **SGEL - Open Offer - Escrow Account ('Escrow Account')** and has made a cash deposit of Rs. 21,97,00,000 (Rupees Twenty One Crores Ninety Seven Lakhs only) in the said account. The cash deposited in interest bearing fixed deposit account is 100% of the Offer Size payable to the Shareholders under this Offer in compliance with the Regulations 17(3)(a) of the SEBI (SAST) Regulations, 2011.

6.2.5. The Acquirers have authorised the Manager to the Offer to operate and realize the value of the Escrow Account in terms of SEBI (SAST) Regulations, 2011.

6.2.6. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer 1 to implement the Offer in accordance with the SEBI (SAST) Regulations, 2011. Further, the Manager to the Offer confirms that firm arrangement for funds through verifiable means, to fulfill the Offer obligations are in place.

6.2.7. In case of upward revision of the Offer Price and/ or the Offer Size, the Acquirers shall deposit additional appropriate amount into the Escrow Account to ensure compliance with Regulation 18(5) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Operational terms and conditions

7.1.1. The Offer is not conditional upon any minimum level of acceptances from shareholders in terms of Regulation 19 of SEBI (SAST) Regulations, 2011.

7.1.2. The Letter of Offer along with the Form of Acceptance cum Acknowledgement will be dispatched to all the Equity Shareholders of Target Company except parties to the SPSA, whose names appear in its Register of Members on Thursday, December 1, 2016, the Identified Date.

7.1.3. The Offer is subject to the terms and conditions set out in the Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcement(s) that may be issued with respect to the Offer.

7.1.4. The Letter of Offer along with the Form of Acceptance cum Acknowledgement would also be available at SEBI's website - www.sebi.gov.in and Shareholders can also apply by downloading such forms from the website.

7.1.5. This Offer is subject to the receipt of the statutory and other approvals as mentioned in Para. 7.4 of this Letter of Offer. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, if the statutory approvals are refused, the Offer would stand withdrawn.

7.1.6. Accidental omission to dispatch this Letter of Offer to any Equity Shareholder entitled under this Offer or non-receipt of the Letter of Offer by any Equity Shareholder entitled under this Offer shall not invalidate the Offer in any manner whatsoever. The Equity Shareholders can write to the Registrar to the Offer/ Manager to the Offer requesting for the Letter of Offer along with Form of Acceptance-cum-Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of Closing of Tendering Period. Alternatively, the Letter of Offer along with the Form of Acceptance cum Acknowledgement would also be available at SEBI's website - www.sebi.gov.in and the Equity Shareholders can also apply by downloading such forms from the website.

7.1.7. The acceptance of the Offer must be unconditional, absolute and unqualified and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant Shareholder(s).

7.1.8. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/ attachment orders/ restrictions from other statutory authorities, wherein the Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected, if directions/ orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

7.1.9. The Public Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, the DPS and the Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for this Offer.

7.1.10. Incomplete Forms of Acceptance cum Acknowledgement, if applicable, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or require modifications, the Equity Shares tendered are liable to be rejected.

7.2. Locked in Shares

As on the date of this Letter of Offer, there are no locked in Equity Shares in the Target Company. However, the Equity Shares to be allotted pursuant to the proposed preferential issue of Warrants convertible into Equity Shares would be subject to Lock in requirements in terms of Regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.

7.3. Persons eligible to participate in the Offer

7.3.1. Registered Shareholders of the Target Company and unregistered Shareholders who own Equity Shares of the Target Company any time prior to the Closure of Offer, including the beneficial owners of the Equity Shares held in dematerialized form, except parties to the SPSA.

7.4. Statutory and Other Approvals

7.4.1. The acquisition of Equity Shares tendered by Non-Resident Indian (NRI) and Overseas Corporate Bodies (OCB) are subject to approval/ exemption, if applicable, from the Reserve Bank of India (RBI). NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or Foreign Investment Promotion Board (FIPB) or any other regulatory body) and submit copy of such approvals and other documents required in terms of the Letter of Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) require or 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 copy of such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in 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 clarify whether the Equity Shares are held on repatriable basis or non repatriable basis. In the case of Overseas Corporate Bodies (OCB) the Shareholders must also submit a copy of a tax residency certificate at the time of tendering their Shares in this Offer.

7.4.2. In-principle approval for listing of the Equity Shares on conversion of Warrants to be issued to the Acquirer by the Target Company has been obtained by the Target Company in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7.4.3. The approval of the shareholders of the Target Company for the issuance of the Warrants has been obtained vide a special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on November 21, 2016. As on the date of this Letter of Offer, to the best of the knowledge of Acquirers, there are no statutory approvals required to acquire the Equity Shares (except as stated in para 7.4.2 above) tendered pursuant to this Offer. If any statutory approvals are required or become applicable, the Offer would be subject to the receipt of such statutory approvals also. The Acquirers will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23(1) (a) of the SEBI (SAST) Regulations, 2011.

7.4.4. In case of delay/ non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.

7.4.5. Pursuant to Regulation 23 of the SEBI (SAST) Regulations, the Acquirers have the right to withdraw the Offer if any of the conditions precedent stipulated in the SPSA as mentioned in para 3.1.5(ii) is not met for reasons outside the reasonable control of the Acquirers and pursuant to which the SPSA is rescinded. In the event of withdrawal, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, Stock Exchange(s) and at the registered office of the Target Company. All the conditions precedent stipulated in the SPSA has been complied with.

7.4.6. No approvals are required from Financial Institutions/ Banks for this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1 All the Shareholders, registered or unregistered, of the Target Company, except the Acquirers and the Sellers, owning Equity Shares any time before the date of Closure of the Offer, are eligible to participate in the Offer.

8.2 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

8.3 The Open Offer will be implemented by the Acquirers through a stock exchange mechanism made available by Stock Exchange in the form of a separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI.

8.4 BSE shall be designated Stock Exchange for the purpose of tendering Equity Shares in the Open Offer.

8.5 The Acquirers have appointed Pravin Ratilal Share and Stock Brokers Limited ("**Buying Broker**") for the Offer through whom the purchases and settlement of Equity Shares tendered shall be made during the Tendering Period. The Contact details of the Buying Broker are as mentioned below:

Name: Pravin Ratilal Share and Stock Brokers Limited
Address: 'Sakar-I' 5th Floor, Opp. Gandhigram Railway Station,
Navrangpura, Ahmedabad - 380 009, Gujarat, India.
Tel No.: +91-79-26582331/ 66302792; **Fax:** +91-79-26582331
Email: info@prssb.com ; **Website:** www.prssb.com
SEBI Registration No: INB230758933 (NSE) | INB010758937
Contact Person: Mr. Bobby D'costa

8.6 All Shareholders who desire to tender their Equity Shares under the Offer would have to intimate their respective stock brokers ("**Selling Broker**") within the normal trading hours of the secondary market, during the Tendering Period.

8.7 Separate Acquisition Window will be provided by BSE to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Shares as well as physical Shares.

8.8 The cumulative quantity tendered shall be displayed on the Stock Exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.

8.9 Shareholders can tender their Shares only through a broker with whom the Shareholder is registered as client (KYC compliant).

8.10 **Procedure for tendering Shares held in Dematerialized Form:**

(a) Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their respective depository participant ("**DP**")/ Selling Broker (in case the trading and demat accounts are with the same member) indicating the details of Equity Shares they intend to tender in Open Offer by filling and handing over the Delivery Instruction Slip ("**DIS**") to such DP/ Selling Broker to ensure the transfer of Equity Shares to the Selling Broker's pool account. In case the DP is not the Selling Broker, the Equity Shareholder is required to submit a copy of the DIS to the Selling Broker for placing the sell order. The Public Shareholders are advised to retain an acknowledged copy of the DIS.

(b) The Selling Broker would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation for the transfer of Equity Shares to the Special Account of the clearing corporation before placing the bids/ order and the same shall be validated at the time of the order entry. The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE/ Clearing Corporation.

(c) The Selling Broker shall provide early pay-in of demat Shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.

(d) For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

(e) The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the opening of the Offer.

(f) Upon placing the order, the Selling Broker(s) shall provide transaction registration slip ("TRS") generated by the Stock Exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Equity Shares tendered etc.

(g) The Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.

The Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement. Shareholders holding Equity Shares in physical mode will be required to fill the respective Forms of Acceptance.

8.11 **Procedure to be followed by the Shareholders holding Equity Shares in physical form**:

a) The Shareholders who are holding physical Equity Shares and intend to participate in the offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out including:

I. For Registered Shareholder

i. The form of Acceptance-cum-Acknowledgement duly signed (by all Shareholders in case Shares are in joint names) in the same order in which they hold the Equity Shares;

ii. Original Share Certificates;

iii. Valid shares transfer form(s) duly filled and signed by the transferors (i.e., by all registered Shareholders in same order and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirers;

iv. Self-attested copy of the Shareholder's PAN card (in case of joint holders PAN card copy of all transferors);

v. Any other Relevant documents such as (but not limited to):

- Duly attested power of attorney if any person other than the Equity Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement;
- Notarized Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased;
- Necessary corporate authorizations, such as Board Resolutions etc., in case of companies.
- Self-attested copy of address proof (passport, aadhar or voters ID in the case of individuals or certified extract from the Registrar of Companies or bank statement, in the case of companies).

vi. Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Shares in the Offer shall be subject to verification by the RTA. On receipt of confirmation from the RTA, the bid will be accepted, else rejected, and accordingly the same will be depicted on the Stock Exchange platform.

II. For Unregistered Shareholders:

i. Form of Acceptance duly completed and signed in accordance with the instructions contained therein;

ii. Original share certificate(s);

iii. Original broker contract note;

iv. Valid share transfer deed(s);

v. Self-attested copy of the PAN Card;

vi. The acknowledgement received, if any, from the Target Company in case the Equity Shares have been lodged with the Target Company. Such persons should instruct the Target Company and its Registrar to the Offer to send the transferred share certificate(s) directly to the collection centre as mentioned in above. The applicant should ensure that the share certificate(s) reach the collection centre before the date of Closure of the Tendering Period;

vii. The details of the buyer should be left blank failing which the same will be invalid under the Offer. Unregistered Shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

b) Selling Broker should place order on the **Acquisition Window** with the relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling broker shall provide a TRS generated by the Exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.

c) The Selling Broker/ investor has to deliver the physical share certificates and documents along with Form of Acceptance-cum-Acknowledgement and TRS to the Registrar to the Offer within two days of bidding by Selling Broker and not later than two days from the date of Closure of the Tendering Period.

d) Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical shares in the Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA, the bid will be accepted, else rejected, and accordingly the same will be depicted on the Exchange platform.

e) In case any person has submitted Equity Shares in physical form for dematerialization, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Offer before Closing Date.

8.12 Equity Shares that are subject to any charge, lien, attachment, claim or encumbrance are liable to be rejected in this Offer. Equity Shares that are subject of litigation, wherein the Shareholder may be prohibited from transferring its 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. The Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

8.13 It is hereby expressly clarified that the Equity Shares tendered in the Offer by an erstwhile OCB Shareholder of the Target Company will be accepted by the Acquirers, in consultation with the Acquirers, the Manager to the Offer and the Registrar to the Offer, only if such OCB Shareholders are in compliance with the Reserve Bank of India approval, if applicable, granted to permit such OCB Shareholders to tender Equity Shares in the Offer, and provide all necessary documents as stipulated in this Letter of Offer following the Closure of the Tendering Period, including but not limited to: (a) Reserve Bank of India approval sought by the OCB Shareholders to permit such OCB Shareholders to tender Equity Shares in the Open Offer; (b) the OCB Shareholders bank's confirmation that the selling OCB Shareholder is holding the Equity Shares in compliance with extant FEMA regulations and (c) tax clearance certificate from the Income Tax authorities, ((hereinafter collectively referred to as "**OCB Documentation**"). Notwithstanding anything contained in this Letter of Offer, the Acquirers, the Manager to the Offer, and the Registrar to the Offer, shall not have any liability, loss, claim etc. (by whatever name called) in tort, breach of contract, breach of statutory duty or otherwise in the event the Acquirers in consultation with the Manager to the Offer, the Registrar to the Offer do not accept the Equity Shares tendered by the OCB Shareholders and thereby does not make a corresponding payment of such consideration for the want of the requisite OCB Documentation being provided by the OCB Shareholders. It is expressly clarified that the Acquirers, the Manager to the Offer and the Registrar to the Offer are in no manner responsible for procuring such OCB Documentation from the OCB Shareholders of the Target Company who have tendered their Equity Shares in the Open Offer.

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

8.15 Equity Shares that are subject to any charge, lien, attachment, claim or encumbrance are liable to be rejected in this Offer. 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. The Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

8.16 **Procedure for tendering the Equity Shares in case of non-receipt of Letter of Offer:**

Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

A Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender Shares in the Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.

Letter of Offer along with a Form of Acceptance-cum-Acknowledgement, will be dispatched to all the eligible Shareholders of the Target Company, whose names appear on the Register of Members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on Monday, February 6, 2017 ("Identified Date").

In case of non-receipt of the Letter of Offer, such Eligible Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the equity shares of the Target Company.

The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.

8.17 **Settlement Process**

8.17.1 Where the number of Equity Shares offered for sale by the Shareholders are more than the Equity Shares agreed to be acquired by Acquirers, the Acquirers will accept the offer(s) received from the Shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

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

8.17.3 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of Clearing Corporation.

8.17.4 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of the trades. .

8.17.5 In case of partial or non-acceptance of orders or excess pay-in, demat shares shall be released to the securities pool account of the Selling Broker(s)/custodian, post which, the Selling Broker(s) would then issue contract note for the Shares accepted and return the balance Shares to the Shareholders.

8.17.6 Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Shareholders'/ unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner. Equity Shares held in dematerialized form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective DPs.

8.18 It may be noted that the Equity Shareholders who have tendered Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the Tendering Period even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed.

8.19 **Settlement of Funds/Payment Consideration**

For Shareholders holding Equity Shares in demat and physical mode

8.19.1 The settlements of fund obligation for demat and physical shares shall be effected through existing settlement accounts of Selling Broker(s).

8.19.2 The payment will be made by the Buying Broker for settlement. For Equity Shares accepted under the Offer, the Seller Broker/custodian participant will receive funds payout in their settlement bank account. The Seller Brokers/ custodian participants would pay the consideration to their respective clients.

8.19.3 The funds received from Buyer Broker by the Clearing Corporation will be released to the Seller Broker(s) as per secondary market pay out mechanism.

8.19.4 Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the Shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Shareholder.

8.19.5 In case of delay/ non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011

9. Compliance with the Tax requirements:

Capital Gains

9.1.1. As per the current provisions of the Income Tax Act, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax has been paid on the transaction. Securities Transaction Tax will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less, which are sold, will be subject to short term capital gains tax.

9.1.2. Taxability of capital gain arising to a non-resident in India from the sale of equity shares shall be determined on the basis the provisions of the Income Tax Act or the Double Taxation Avoidance Agreement entered between India and country of which the non-resident seller is resident, subject to satisfaction of certain prescribed conditions.

Tax deduction at source

9.1.3. **In case of resident Shareholders** – the Acquirers shall not deduct tax on the consideration payable to resident Shareholders pursuant to the Offer.

9.1.4. **In case of non-resident Shareholders** – Since the Offer is through the Stock Exchange; the responsibility of discharge of the tax due on the gains (if any) is on the non-resident Shareholder. It is therefore recommended that the Non-Resident Shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

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

10. DOCUMENTS FOR INSPECTION

The Following documents are available for inspection to the Shareholders of the Target Company at the corporate office of the Manager to the Offer situated at 607, 608, Marathon Icon, Opp. Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai- 400 013, Maharashtra, India during the Tendering Period from Monday to Friday except SEBI Holidays between 10.00 A.M. to 5.00 p.m. until the Closure of the Offer.

10.1. Certificate of Incorporation, Memorandum of Association and Articles of Association of Swiss Glascoat Equipments Limited.

10.2. Audited Annual Reports of the Target Company for the financial years ended on March 31, 2016, 2015 and 2014 and half year ended on September 30, 2016 based on condensed Financial Statements.

10.3. Net worth Certificate of the Acquirer 2, Acquirer 3, Acquirer 4 and Acquirer 5 issued by M/s. Hiren M. Diwan and Company, Chartered Accountant dated August 9, 2016.

10.4. Certificate issued by RAS & Co., Chartered Accountant dated October 25, 2016 certifying that the Acquirer 1 has firm and adequate financial resources to meet the financial obligations under the Offer.

10.5. Copy of the Share Purchase and Share Subscription Agreement dated October 25, 2016 entered into between the Acquirers and the Sellers and the Target Company.

10.6. Copy of Public Announcement dated October 25, 2016 and published copy of the Detailed Public Statement dated October 28, 2016.

10.7. Certificate from RBL Bank Limited confirming the Fixed Deposit of Rs. 21,97,00,000 kept in Escrow Account opened as per the SEBI (SAST) Regulations and a lien is marked in favour of Manager to the Offer.

10.8. Published copy of the recommendation made by the Target Company's Committee of Independent Directors, as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.

10.9. Copy of Due Diligence Certificate given by Vivro Financial Services Private Limited, Manager to the Offer dated November 7, 2016.

10.10. Copy of the Escrow Agreement Dated October 25, 2016 entered into amongst the Acquirer 1, Manager to the Offer and the Escrow Bank.

10.11. Observation letter no. CFD/ DCR/OW/2017/2713 received from SEBI dated February 3, 2016 containing its comments on the Draft Letter of Offer in terms of provisions of Regulation 16(4) of SEBI (SAST) Regulations.

11. DECLARATION BY THE ACQUIRERS

11.1. The Acquirer 1 and its directors and Acquirer 2, Acquirer 3, Acquirer 4 and Acquirer 5 accept jointly and severally full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirers as laid down in terms of the SEBI (SAST) Regulations. In relation to the information pertaining to the Sellers and the Target Company, the Acquirers have relied on the information provided by the Target Company, the Sellers and publicly available sources and have not independently verified the accuracy of such information.

11.2. The Acquirers shall be responsible for ensuring compliances with the provisions of the SEBI (SAST) Regulations for obligations laid down in the SEBI (SAST) Regulations.

11.3. The Manager to the Offer hereby states that the persons signing this Letter of Offer are the Acquirers / duly authorized person to sign this Letter of Offer.

For and on behalf of the Acquirers
For HLE Engineers Private Limited

Sd/- **Himanshu K. Patel** **Director** **DIN: 00202312**	**Sd/-** **Himanshu K. Patel**	**Sd/-** **Nilesh K. Patel**	**Sd/-** **Harsh H. Patel**	**Sd/-** **Aalap N. Patel**

Date: February 10, 2017
Place: Surat

Encl.: Form of Acceptance-Cum-Acknowledgement
Share transfer form (only to Shareholders holding Equity Shares in physical form)

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Form of Acceptance-Cum-Acknowledgement

*(For Equity Shareholders holding shares in **PHYSICAL** form)*

OFFER SCHEDULE	
OFFER OPENS ON	February 21, 2017
OFFER CLOSES ON	March 7, 2017

For Registrar / collection center use		
Inward No.	Date	Stamp

Status (please tick appropriate box)					
	Individual		FII		Insurance Co.
	Foreign Co.		NRI/OCB		FVCI
	Body Corporate		Bank / FI		Pension / PF
	VCF		Partnership/LLP		Others (specify)

To,
HLE Engineers Private Limited
C/o Link Intime India Private Limited
Unit : Swiss Glascoat Equipments Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai, Maharashtra – 400078.

Dear Sirs,

Sub: **Open Offer for acquisition of up to 16,90,000 Equity Shares of Rs. 10 each of Swiss Glascoat Equipments Limited (Target Company) at a price of Rs. 130 per Equity Share**

1. I / We (having read and understood the Letter of Offer issued by the Acquirers) hereby tender / Offer my / our Equity Shares in response to the Open Offer on the terms and conditions set Out below and in the Letter of Offer.
2. Details of Equity Shares held and tendered / offered under the Offer :

	In figures	In words
Equity Shares held as on Identified Date (February 6, 2017)		
Number of Equity Shares Offered under the Open Offer		

4. I / We authorize you to buy Equity Shares offered (as mentioned above) and to issue instruction(s) to the Registrar to transfer the same in your name(s).
5. I / We hereby warrant that the Equity Shares comprised in this Tender Offer are offered under Open Offer free from all liens, equitable interest, charges and encumbrance.
6. I / We declare that there are no restraints/injunctions or other covenants of any nature which limits/restricts in any manner my/ our right to tender Equity Shares under the Open Offer and that I/We am are legally entitled to tender the Equity Shares.
7. I/We agree that the Company will pay the Offer Price as per the Stock Exchange mechanism.
8. Details of Account with Depository Participant (DP):

Sr. no.	Folio No.	Share Certificate No.	Distinctive Nos.		No. of shares
			From	To	
1					
2					
3					
				Total	

In case the number of folios and share certificates enclosed exceed 3 nos., Please attach a separate sheet giving details in the same format as above

9. Details of other Documents (duly attested) (Please √ as appropriate, if applicable) enclosed:

	Power of Attorney		Previous RBI approvals for acquiring the Equity Shares of Soma Textiles & Industries Limited hereby tendered in the Open Offer
	Death Certificate		Succession Certificate
	Self-attested copy of PAN		Corporate authorizations
	Others (please specify):		

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10. Equity Shareholders Details:

	1st/Sole holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s)				
PAN				
Address of the 1st/ sole holder				
Telephone of 1st / sole holder		e-mail id of 1st / sole holder		
Signature(s) *				

** Corporate must also affix rubber stamp and sign*

INSTRUCTIONS:

1. This Offer will open on February 21, 2017 and close on March 7, 2017.
2. This Form of Acceptance has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Form of Acceptance.
3. Eligible Persons who wish to tender their Equity Shares in response to this Open Offer should submit the following documents to the selling member, who in turn would deliver the said documents along with the Transaction Registration Slip (TRS) to the RTA:
   a) The relevant Form of Acceptance duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
   b) Original share certificates.
   c) Copy of the Permanent Account Number (PAN) Card.
   d) Transfer deed (Form SH-4) duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
   e) A self-attested copy of address proof consisting of any one of the following documents i.e., valid Aadhaar Card, Voter Identity Card, Passport or driving license.
4. Eligible Persons should also provide all relevant documents in addition to above documents which may include (but not limited to):
   a) Duly attested Power of Attorney if any person other than the Eligible Persons has signed the relevant Form of Acceptance.
   b) Notarized copy of death certificate / succession certificate / probated/Will, as applicable in case any Eligible Person has deceased.
   c) Necessary corporate authorisations, such as Board Resolution / Specimen Signature etc., in case of Companies.
5. All documents / remittances sent by or to Eligible Persons will be at their own risk and the Eligible Persons are advised to adequately safeguard their interests in this regard.
6. All documents as mentioned above shall be enclosed with the valid Form of Acceptance otherwise the shares will be liable for rejection. The shares shall be liable for rejection on the following grounds amongst others:
   a) If any other company share certificates are enclosed with the Form of Acceptance instead of the share certificate of the Company;
   b) Non-submission of Notarized copy of death certificate / succession certificate / probated/Will, as applicable in case any Eligible Person has deceased.
   c) If the Eligible Person(s) bid the shares but the Registrar does not receive the share certificate; or
   d) In case the signature in the Form of Acceptance and Form SH-4 doesn't match as per the specimen signature recorded with Company / Registrar.

FOR DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER, REFER TO THE LETTER OF OFFER

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address

C/o Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra – 400078.
Tel: +91 22 6171 5400; **Fax:** +91 22 2596 0329
Email: swissglascoat.offer@linkintime.co.in; **Website:** www.linkintime.co.in

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Received from Mr./Ms./M/s. .... (to be filled by the Eligible Person) (subject to verification) Ledger Folio No.:.. No. of Share Certificate submitted: .... No. of Equity Shares offered under open offer (In Figures) ....

(In Words) ....

Please quote Ledger Folio No. for all future correspondence

STAMP OF BROKER

Form of Acceptance-Cum-Acknowledgement

*(For Equity Shareholder holding shares in **DEMATERIALISED** form)*

OFFER SCHEDULE	
OFFER OPENS ON	**February 21, 2017**
OFFER CLOSES ON	**March 7, 2017**

For Registrar / collection center use		
Inward No.	**Date**	**Stamp**

Status (please tick appropriate box)					
	Individual		FII		Insurance Co.
	Foreign Co.		NRI/OCB		FVCI
	Body Corporate		Bank / FI		Pension / PF
	VCF		Partnership/LLP		Others (specify)

To,
HLE Engineers Private Limited
C/o Link Intime India Private Limited
Unit : Swiss Glascoat Equipments Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai, Maharashtra – 400078.

Dear Sirs,

Sub: **Open Offer for acquisition of up to 16,90,000 Equity Shares of Rs. 10 each of Swiss Glascoat Equipments Limited (Target Company) at a price of Rs. 130 per Equity Shares**

We (having read and understood the Letter of Offer issued by the Acquirers) hereby tender / Offer my / our Equity Shares in response to the Open Offer on the terms and conditions set Out below and in the Letter of Offer.

1. Details of Equity Shares held and tendered / offered under the Offer :

	In figures	In words
Equity Shares held as on Identified Date (February 6, 2017)		
Number of Equity Shares Offered under the Open Offer		

2. I / We authorize you to buy Equity Shares offered (as mentioned above) and to issue instruction(s) to the Registrar to transfer the same in your name(s).
3. I / We hereby warrant that the Equity Shares comprised in this Tender Offer are offered under Open Offer free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints/injunctions or other covenants of any nature which limits/restricts in any manner my/ our right to tender Equity Shares under the Open Offer and that I/We am are legally entitled to tender the Equity Shares.
5. I/We agree that the Company will pay the Offer Price as per the Stock Exchange mechanism.
6. I/We agree to receive, at my own risk, the invalid/unaccepted Equity Shares under the Open Offer in the demat account from where I / We have tendered the Equity Shares in the Open Offer.
7. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID				

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8. Equity Shareholders Details:

	1st/Sole holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s)				
PAN				
Address of the 1st/ sole holder				
Telephone of 1st / sole holder		e-mail id of 1st / sole holder		
Signature(s) *				

* Corporate must also affix rubber stamp and sign

INSTRUCTIONS:

1. This Offer will open on February 21, 2017 and close on March 7, 2017.
2. This Form of Acceptance has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Form of Acceptance.
3. Shareholders who desire to tender their equity shares in the electronic form under the Open Offer would have to do so through their respective selling member by indicating the details of equity shares they intend to tender under the Open offer.
4. The Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer as may be decided by the Company / Registrar to the Offer, in accordance with the SEBI (SAST) Regulations.
5. All documents sent by Eligible Persons will be at their own risk. Eligible Persons are advised to safeguard adequately their interests in this regard.

FOR DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER, REFER TO THE LETTER OF OFFER

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address

C/o Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, Maharashtra – 400078.

Tel: +91 22 6171 5400; **Fax:** +91 22 2596 0329

Email: swissglascoat.offer@linkintime.co.in; **Website:** www.linkintime.co.in

-------------------------✄--- Tear along this line -------------------------✄--------------------------------------

Received from Mr./Ms./M/s. .... (to be filled by the Eligible Person) (subject to verification) DP ID No.: .... Client ID No.: .... No. of Equity Shares offered under open offer (In Figures) ....

(In Words) ....

STAMP OF BROKER

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