

**DRAFT LETTER OF OFFER****THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Draft Letter of Offer is sent to you as an Eligible Shareholder(s) of M/s Corporate Merchant Bankers Limited (hereinafter referred to as “Target Company” or “Target” or “CMBL”). If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Draft 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.

<b>Open Offer By</b>	
<b>M/s GKR Infracon (India) Private Limited (“Acquirer 1”)</b> <b>Registered Office:</b> 8-2-293/82/J III/43/N, Road No 71, Jubilee Hills, Hyderabad, Telangana-500033; Telephone: 040-40125863	
<b>Mr. Srinivas Lankireddy (“Acquirer 2”)</b> <b>Address:</b> Plot No. 320/A, MLA Colony, Road 12, Banjara Hills, Khairatabad, Hyderabad, Telangana 500034; <b>Telephone:</b> +91-9966649135	
<b>Mr. Gopi Krishna Lanki Reddy (“Acquirer 3”)</b> <b>Address:</b> Plot No. 320/A, MLA Colony, Road No 12, Near ACB Office Banjara Hills, Khairatabad, Hyderabad, Telangana-500034; Telephone: +91-9949923355	
<b>Mr. Sandesh Reddy Vedere (“Acquirer 4”)</b> <b>Address:</b> 17/C/B, MLA Colony, Road No 12, MLA Colony, Banjara Hills, Hyderabad, Telangana -500034; <b>Telephone:</b> +91-8008999828	
<b>Mr. Shiva Kumar Reddy Komati Reddy (“Acquirer 5”)</b> <b>Address:</b> Plot No. 315, Road No. 79, Jubilee Hills, Hyderabad 500033; Telephone: +91-9652340444	
(Acquirer 1, Acquirer 2, Acquirer 3, Acquirer 4 and Acquirer 5, hereinafter collectively referred to as the “Acquirers”) <b>to the Eligible Shareholder(s) of</b> <b>M/s Corporate Merchant Bankers Limited</b> <b>Registered Office:</b> UG-24, Vishwadeep Tower, District Centre, Janak Puri, New Delhi-110058, <b>Corporate Office:</b> 8-2-293/BE, Plot No.32, Navanirman Nagar, Jubilee Hills, Hyderabad - 500033, Telangana, <b>Telephone No.:</b> +91 9966099595 (hereinafter referred to as the “Target”/“Target Company”/“CMBL”) To acquire upto 8,58,000 (Eight Lakh Fifty Eight Thousand) Fully Paid-up Equity Shares of Rs. 10/- (Rupees Ten Only) each (“Offer Shares”), of the Target Company, representing 26% of the Fully Paid Up Equity Share Capital (defined under the head “Definition”) of the Target Company at a price of Rs. 10/- (Rupees Ten Only) per Equity Share, payable in cash.	
Please Note:	
<ol style="list-style-type: none"> <li>1. This Offer is being made by the Acquirers pursuant to and in compliance with Regulation 3(1) and Regulation 4 read with other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“SEBI (SAST) Regulations”).</li> <li>2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.</li> <li>3. <b>This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.</b></li> <li>4. <b>There has been no competing offer as on the date of this Draft Letter of Offer.</b></li> <li>5. The Offer is subject to the receipt of statutory and other approvals as mentioned in Paragraph 7.4 of this Draft Letter of Offer.</li> <li>6. If there is any upward revision in the Offer Price or the number of Shares sought to be acquired under the Open Offer by the Acquirers, the same shall be done at any time prior to the commencement of the last one working day before the commencement of the Tendering Period i.e. upto Monday, October 07, 2019. Further, any upward revision on the Offer Price or Offer Shares, would be informed by way of an Issue Opening Public Announcement in the same newspapers where the original Detailed Public Statement was made. Such revision in the Open Offer Price would be payable by the Acquirers for all the shares validly tendered anytime during the Tendering Period of the Open Offer.</li> <li>7. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, the same would be communicated within 2 (Two) Working Days by an announcement in the same newspapers in which the Detailed Public Statement was published.</li> <li>8. A copy of the Public Announcement, Detailed Public Statement, Draft Letter of Offer and Letter of Offer (including Form of Acceptance cum Acknowledgment) will be available on SEBI’s website: <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>.</li> </ol>	
<b>MANAGER TO THE OFFER</b>	<b>REGISTRAR TO THE OFFER</b>
 <p><b>TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED</b> SEBI Regn. No.: MB/INM000012290 Regd. &amp; Corp. Off.: 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi- 110058 Tel. No.: +91-11-45510390 Contact Person: Mr. Heemadri Mukerjea Email id: <a href="mailto:info@tcagroup.in">info@tcagroup.in</a> Website: <a href="http://www.tcagroup.in">www.tcagroup.in</a></p>	 <p><b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> SEBI Regn. No.: INR000003241 Regd. Off.: D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-11002 Tel No.: +91-11-40450193-7 Fax No.: +91-11-26812682 Contact Person: Mr. Virender Rana Email id.: <a href="mailto:viren@skylinerta.com">viren@skylinerta.com</a> Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a></p>

## SCHEDULE OF THE ACTIVITIES PERTAINING TO THE OFFER

Nature of Activity	Day and Date
Date of the Public Announcement	Friday, August 09, 2019
Date of publication of the Detailed Public Statement	Tuesday, August 20, 2019
Last date of filling of Draft Letter of Offer with SEBI	Tuesday, August 27, 2019
Last date for a Competing Offer	Thursday, September 12, 2019
Identified Date*	Tuesday, September 24, 2019
Last Date by which Letter of Offer will be dispatched to the Shareholders	Tuesday, October 01, 2019
Last date by which an independent committee of the Board of Target Company shall give its recommendation	Friday, October 04, 2019
Last Date for upward revision of the Offer Price/Offer Size	Monday, October 07, 2019
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspaper	Monday, October 07, 2019
Date of commencement of tendering period (Offer Opening Date)	Thursday, October 10, 2019
Date of expiry of tendering period (Offer Closing Date)	Wednesday, October 23, 2019
Date by which all requirements including payment of consideration would be completed	Thursday, November 07, 2019

*\*Identified Date is only for the purpose of determining the names of the Eligible Shareholders 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 Seller) are eligible to participate in the Offer any time before the closure of the Offer.*

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#### RISK FACTORS

#### RISKS RELATED TO THE TRANSACTION, THE PROPOSED OPEN OFFER AND THE PROBABLE RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRERS

##### (A) Risk relating to the transaction

Acquisition of SPA Shares is subject to the applicable provisions of SEBI (SAST) Regulations and terms of the SPA. In case the provisions of the SEBI (SAST) Regulations or the terms of the SPA are not satisfactorily complied by the Acquirers or the Seller, then the parties to the SPA shall not act upon SPA and the transaction envisaged in the said SPA may not be consummated.

Regulation 23(1) of the SEBI (SAST) Regulations, lists the circumstances under which offer may stand withdrawn. In the present case, as on the date of this Draft Letter of Offer, there are no apparent circumstances which may warrant a withdrawal of the Offer under Regulation 23(1) of the SEBI (SAST) Regulations. If at a later date, any other statutory or regulatory or other approvals/ no objections are required, the Offer would become subject to receipt of such other statutory or regulatory or other approvals/no objections.

##### (B) Risk relating to the Offer

- As on the date of this Draft Letter of Offer, to the best of knowledge of the Acquirers, no statutory and other

approvals are required in relation to the Offer, except the following:

- a. **Approval from Reserve Bank of India:** Approval of Reserve Bank of India under Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015 issued in terms of Notification No. DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015 is required for completing the Offer.

However, the Offer will be subject to all statutory approvals that may become applicable at a later date. The Acquirers reserve the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused/not granted.

2. In the event that (a) the regulatory approvals (that may become applicable at a later date prior to completion of this Offer) are not received in a timely manner; or (b) there is any litigation to stay the Offer; or (c) SEBI instructs the Acquirers not to proceed with the Offer or to comply with certain conditions before proceeding with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders of the Target Company, whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers, may be delayed.
3. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirers for making payment of consideration to the Eligible 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 so directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
4. The Acquirers will not proceed with the Open Offer in the event statutory or other approvals, if any, as maybe are required, are refused in terms of Regulation 23(1) of SEBI (SAST) Regulations.
5. The Equity Shares tendered in the Offer shall be held in the pool account of the broker / in trust by the Clearing Corporation /Registrar to the Offer until the completion of the Offer formalities and the Eligible Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares during such period, even if the acceptance of Equity Shares in this Offer and/or dispatch of payment consideration is delayed. Further, during such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Eligible Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Shareholders will be solely responsible for their decisions regarding their participation in this Offer and the Acquirers do not make any assurance with respect to the market price of the Equity Shares at any time, whether during or after the completion of the Offer, and 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.
6. Eligible Shareholders should note that once they have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer, even if the acceptance of Equity Share under the Offer and dispatch of consideration is delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. The Eligible Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer and/or Clearing Corporation notwithstanding delay in acceptance of the Equity Shares in this Offer and dispatch of payment consideration. Accordingly, the Acquirers and Manager to the Offer make no assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Eligible Shareholders on whether or not to participate in this Offer.
7. In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the Eligible Shareholders in the Offer will be accepted.
8. This Offer is subject to completion risks as would be applicable to similar transactions.
9. The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, DPS, DLOF, LOF or in the post offer advertisement or any corrigendum or any materials issued by or at the instance of the Acquirers or the Manager to the Offer in relation to the Offer, and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk.

10. NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance and other documents required 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. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) were required to obtain any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant 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 Eligible Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or on non repatriable basis.
11. This Draft 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 of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirers or the Manager to the Offer to any new or additional registration requirements.
12. The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax implications pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

**(C) Probable risk involved in associating with the Acquirers**

1. The Acquirers and Manager to the Offer make no assurance with respect to the financial performance of the Target Company and disclaim any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.
2. The Acquirers make no assurance with respect to its investment/disinvestment decisions relating to its proposed shareholding in the Target Company.
3. The Acquirers do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly 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.
4. The Acquirers do not accept any responsibility for statements made otherwise than in the Letter of Offer (LOF)/Draft Letter of Offer (DLOF)/Detailed Public Statement (DPS)/Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his/her/its own risk.
5. The Acquirers do not accept the responsibility with respect to the information contained in the PA or DPS or DLOF or LOF that pertains to the Target Company and has been compiled from publicly available resources.

The risk factors set forth above, pertain to the Offer and are not in relation to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by an Eligible Shareholder in the Offer. Eligible Shareholders of Target Company are advised to consult their Stock Brokers or Investment Consultants, if any, for analyzing all the risks with respect to their participation in the Offer.

**1. DEFINITIONS**

<b>Acquirers</b>	M/s GKR Infracon (India) Private Limited, Mr. Srinivas Lanki Reddy, Mr. Gopi Krishna Lanki Reddy, Mr. Sandesh Reddy Vedere and Mr. Shiva Kumar Reddy Komati Reddy
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Acquirer 1	GKR Infracon (India) Private Limited a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 8-2-293/82/J III/43/N, Road No 71, Jubilee Hills, Hyderabad, Telangana-500033
Acquirer 2	Srinivas Lankireddy, having his residential address at Plot No. 320/A, MLA Colony, Road 12, Banjara Hills, Khairatabad, Hyderabad, Telangana 500034
Acquirer 3	Gopi Krishna Lanki Reddy having his residential address at Plot No. 320/A, MLA Colony, Road No 12, Near ACB Office Banjara Hills, Khairatabad, Hyderabad, Telangana-500034
Acquirer 4	Sandesh Reddy Vedere having his residential address at 17/C/B, MLA Colony, Road No 12, MLA Colony, Banjara Hills, Hyderabad, Telangana -500034
Acquirer 5	Shiva Kumar Reddy Komati Reddy having his residential address at Plot No. 315, Road No. 79, Jubilee Hills, Hyderabad 500033
Acquirers' MOU	Memorandum of Understanding dated August 09, 2019 entered into by and between the Acquirers, wherein the Acquirers have agreed on the quantum and percentage of shares to be acquired pursuant to the SPA and also pursuant to the proposed Open Offer.
Bank Guarantee	Unconditional, irrevocable and on demand Bank Guarantee issued by Andhra Bank through its branch at G-5, Block - II, Plot No. 55e, Adityahrudayah Express Highway, Kondapur, Hyderabad, Telangana, on behalf of the Acquirers, pursuant to bank guarantee letter dated August 16, 2019 aggregating to an amount of Rs. 21,50,000/- (Rupees Twenty One Lakh and Fifty Thousand Only) in favour of the Manager to the Offer
Board/Board of Directors	Board of Directors of the Target Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number.
CKYC	Central Know your Client
Companies Act	Companies Act, 2013, and/or the Companies Act, 1956 (to the extent applicable and not repealed)
Corporate Merchant Bankers Limited/ CMBL/ Target Company/Target	A company incorporated under the provisions of the Companies Act, 1956 and having its registered office at UG-24, Vishwadeep Tower, District Centre, Janak Puri New Delhi-110058 and the corporate office at 8-2-293/BE, Plot No.32, Navanirman Nagar, Jubilee Hills, Hyderabad - 500033, Telangana
Date of Closure of Offer/Date of closure of the Tendering Period	Wednesday, October 23, 2019
Date of Opening of Offer/ Date of opening of the Tendering Period	Thursday, October 10, 2019
Depositories	CDSL and NSDL
Detailed Public Statement/DPS	Detailed Public Statement dated August 19, 2019, made by the Manager to the Offer on behalf of the Acquirers to the Eligible Shareholders of the Target Company, which was published on in all editions of "Business Standard (English)", all editions of "Business Standard (Hindi)" and Marathi edition of "Mumbai Lakshdeep" being a local language daily with wide circulation at Mumbai (being the place where BSE and MSEI are situated). The Registered Office of the Target Company is situated in the National Capital Territory of Delhi and Hindi being the regional language of the region, publication in a regional language daily is not required.
DIS	Delivery Instruction Slip
DP	Depository Participant
Draft Letter of Offer/DLOO/DLOF/DLoF	The Draft Letter of Offer dated August 27, 2019 submitted to SEBI for its observations.

Eligible Shareholders	Means Shareholders of the Target Company other than the parties to the SPA.
Equity Shares/Shares	Fully paid up equity shares of the Target Company of face value of Rs. 10/- (Rupees Ten only) each
Escrow Account	A cash escrow account opened in the name and style of “ <b>CMBL OPEN OFFER ESCROW ACCOUNT</b> ” bearing number 6413084972 with the Escrow Bank, irrevocably and unconditionally empowering the Manager to the Offer to act in compliance with the SEBI (SAST) Regulations.
Escrow Bank/Escrow Agent	Kotak Mahindra Bank Limited, having its registered office at 27, BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra-400051 and through its branch situated at Ground Floor & Rear Basement, B - 1/8 & B - 1/9, Sector - 51, Noida, Uttar Pradesh
Existing Promoters/Promoters' Group	M/s Cosmos Industries Limited having its registered office at 202, Thapar Arcade, 47, Kalusarai, Hauz Khas, New Delhi-110016, Mr. Deepak Yadav and Mrs. Bhavna Yadav.
FATCA	Foreign Account Tax Compliance Act
FII	Foreign Institutional Investors
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement
Fully Paid Up Equity Share Capital	Means total voting equity capital of the Target Company on a fully diluted basis expected as of the 10 <sup>th</sup> (tenth) working day from the closure of the Tendering Period of the Offer. As on date of this DLOF, Fully Paid Up Equity Share Capital of Target Company is Rs. 3,30,00,000/- (Rupees Three Crore Thirty Lakh Only) divided into 33,00,000 (Thirty Three Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each.
FY	Financial year
ICCL	Indian Clearing Corporation Limited
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended
Identified Date	Tuesday, September 24, 2019 i.e. the date falling on the 10 <sup>th</sup> (tenth) Working Day prior to the date of opening of the Tendering Period for the purposes of determining the Eligible Shareholders of the Target Company to whom the Letter of Offer shall be sent.
Income Tax Act/IT Act	The Income Tax Act, 1961, as amended
IPV	In person verification
ISIN	International Securities Identification Number
KRA	KYC Registration Agency
KYC	Know your Client
Letter of Offer/LOO/LOF/LoF	The Letter of Offer dated [●]
Listing Regulations/LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
MSEI	Metropolitan Stock Exchange of India Limited
NEFT	National Electronic Funds Transfer
NRIs	Non Resident Indians
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies
Offer Period	Period commencing from August 09, 2019 (the date of the Public Announcement) till the date on which the payment of consideration to the Equity Shareholders who have accepted the Offer is made, or the date on which the Offer is withdrawn, as the case may be
Offer Price	Rs. 10/- (Rupees Ten Only) per fully paid up equity share of Rs. 10/- (Rupees Ten Only) each.

Offer Size/Offer Shares	8,58,000 (Eight Lakh Fifty Eight Thousand) fully paid-up Equity Shares of Rs. 10/- (Rupees Ten Only) each, representing 26% of Fully Paid Up Equity Share Capital of the Target Company.
Offer/Open Offer	Open Offer for acquisition of upto 8,58,000 (Eight Lakh Fifty Eight Thousand) fully paid-up Equity Shares of Rs. 10/- (Rupees Ten Only) each ("Offer Shares"), representing in aggregate 26% of the Fully Paid Up Equity Share Capital of the Target Company at a price of Rs. 10/- (Rupees Ten Only) per fully paid up Equity Share, payable in cash.
OSV	Original Seen & Verified
Outgoing Promoter/Seller	M/s Cosmos Industries Limited having its registered office at 202, Thapar Arcade, 47, Kalusarai, Hauz Khas, New Delhi-110016.
PAN	Permanent Account Number
Public Announcement/PA	Public Announcement dated August 09, 2019 made by the Manager to the Offer on behalf of the Acquirers, in relation to this Offer.
RBI	Reserve Bank of India
Registrar/Registrar to the Offer/RTA	Skyline Financial Services Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at D-153 A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020
Rs./Rupees/INR	Indian Rupees
SCRR	Securities Contracts (Regulation) Rules, 1957 as amended
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations/ /SAST Regulations/ Takeover Code/ Takeover Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended.
SEBI Act	Securities & Exchange Board of India Act, 1992 as amended
Share Purchase Agreement/SPA	Share Purchase Agreement dated August 09, 2019 entered into between the Acquirers and the Seller to acquire 19,79,580 (Nineteen Lakh Seventy Nine Thousand Five Hundred Eighty) Equity Shares representing 59.99% of fully paid-up equity share capital and voting capital of the Target Company.
SPA Shares/Sale Shares	19,79,580 (Nineteen Lakh Seventy Nine Thousand Five Hundred Eighty) Equity Shares representing 59.99% of fully paid-up equity share capital and voting capital of the Target Company, proposed to be acquired by the Acquirers through the SPA.
Stock Exchange/Stock Exchanges	Stock Exchanges where Equity Shares of the Target Company are listed. The Target Company is currently listed on BSE and MSEI.
STT	Securities Transaction Tax
TCA/ Manager to the Offer/ MB/Merchant Banker	Turnaround Corporate Advisors Private Limited, the Merchant Banker appointed by the Acquirers pursuant to Regulation 12 of the SEBI (SAST) Regulations, having its Corporate & Registered office at 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi- 110058.
Tendering period	A period of 10 (Ten) working days from the date of opening of offer on Thursday, October 10, 2019 to closing of offer on Wednesday, October 23, 2019.
TRS	Transaction Registration Slip
UCC	Unique Client Code
Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai.

**Note:** All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the SEBI (SAST) Regulations unless specified.

## 2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE ELIGIBLE SHAREHOLDERS OF CORPORATE MERCHANT BANKERS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 26, 2019 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.”

## 3. DETAILS OF THE OFFER

### 3.1 Background of the Offer

3.1.1 This Open Offer is a mandatory offer, being made by the Acquirers to the Eligible Shareholders of the Target Company in compliance with Regulations 3(1) and Regulation 4 read with other applicable provisions of the SEBI (SAST) Regulations as a result of a direct acquisition of Equity Shares and voting rights and control over the Target Company by the Acquirers, pursuant to the SPA.

3.1.2 On August 09, 2019, the Acquirers have entered into a SPA with the Seller. Pursuant to the SPA, the Acquirers have agreed to acquire 19,79,580 (Nineteen Lakh Seventy Nine Thousand Five Hundred Eighty) Equity Shares (“SPA Shares”) representing 59.99% of fully paid-up equity share capital and voting capital of the Target Company as below:

Sr. No.	Name of the Seller	Number of Equity Shares	% of fully paid-up equity share capital and voting capital
1.	M/s Cosmos Industries Limited	19,79,580	59.99%

3.1.3 The salient features of the SPA are as under:

- a) The Acquirers have entered into SPA on August 09, 2019 with the Seller for the acquisition of 19,79,580 (Nineteen Lakh Seventy Nine Thousand Five hundred Eighty) Equity Shares (“sale shares”) representing 59.99% of the fully paid-up equity share capital and voting capital of the Target Company. The purchase consideration of the sale shares has been agreed as the Market Price of the shares of the Target Company as on the date of actual transfer of shares from Seller to the Acquirers using the Block Deal Mechanism of BSE Limited. However, the purchase consideration per share is subject to a minimum of Rs. 2.50 per Equity Share and a maximum of Rs. 10 per Equity Share. The purchase consideration is payable by the Acquirers to the Seller.
- b) On Closing Date (as defined under SPA), the Seller shall cede its control over the Target Company and the Acquirers shall gain control over the Target Company and shall have a right to reconstitute the Board of Directors of the Target Company and appoint their own representative/Directors as Directors/Chairman of the Target Company.
- c) The Purchase Consideration shall be payable by the Acquirers to the Seller in cash. The Purchase

Consideration is based on the market price of the equity shares of the Target Company as on the actual date of transfer of sale shares from Seller to Acquirers.

- d) The Acquirers shall make an open offer in the manner required under the SEBI (SAST) Regulations and shall comply with all provisions of the SEBI (SAST) Regulations, as may be applicable.
- e) The acquisition of the sale shares by the Acquirers will result in change in control of the Target Company. The Target Company being a listed entity, the Acquirers shall be responsible for complying with the requirements of the SEBI (SAST) Regulations for completing the acquisition of shares proposed to be acquired through the SPA.

For further details of SPA, Eligible Shareholders of the Target Company may refer to the SPA, which would be available to them for inspection at the office of the Manager to the Offer.

3.1.4 The Acquirers have entered into a Memorandum of Understanding dated August 09, 2019 (“Acquirers’ MOU”), wherein the Acquirers have agreed on the quantum and percentage of shares to be acquired pursuant to the SPA and also pursuant to the proposed Open Offer. The salient features of the Acquirers MOU is as under:

a. The detailed breakup of the Sale Shares Proposed to be acquired pursuant to the SPA are as under:

<b>Sale Shares</b>			
<b>Name of the Acquirers</b>	<b>Number of shares proposed to be acquired through SPA</b>	<b>As a percentage of shares proposed to be acquired through SPA</b>	<b>As a Percentage of total paid up capital of the Target Company</b>
GKR Infracon (India) Private Limited	98,979	5.00%	3.00%
Srinivas Lankireddy	5,93,874	30.00%	18.00%
Gopikrishna Lanki Reddy	4,94,895	25.00%	15.00%
Sandesh Reddy Vedere	3,95,916	20.00%	12.00%
Shiva Kumar Reddy Komati Reddy	3,95,916	20.00%	12.00%
<b>Total</b>	<b>19,79,580</b>	<b>100.00%</b>	<b>60.00%</b>

b. The Acquirers have agreed that the Offer Shares proposed to be acquired through the Offer would be solely acquired by Mr. Srinivas Lankireddy (“Acquirer 2”).

3.1.5 Pursuant to acquisition of the Equity Shares in terms of the SPA, the collective holding of the Acquirers in the Target Company, would exceed threshold limit prescribed under Regulation 3(1) of the SEBI (SAST) Regulations, accordingly, this Offer is being made under Regulation 3(1) of the SEBI (SAST) Regulations. Further, the Acquirers will also acquire control over the Target Company post successful completion of the Open Offer, hence Offer is also being made under Regulation 4 of the SEBI (SAST) Regulations.

3.1.6 By virtue of the above proposed acquisitions, the Acquirers will be holding substantial stake and will be in control over the Target Company. Accordingly, this offer is being made in terms of Regulation 3(1) and Regulation 4 read with Regulation 13 and other applicable provisions of the SEBI (SAST) Regulations.

3.1.7 The Offer is not as a result of Global Acquisition resulting in indirect acquisition of Target Company.

3.1.8 As on the date of this Draft Letter of Offer, the Acquirers are not holding any Equity Shares in the Target Company.

3.1.9 There are no ‘Persons Acting in Concert’ within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations in relation to this Open Offer.

3.1.10 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions, if any, issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

- 3.1.11 The Acquirers will, subsequent to successful completion of this Open Offer or in accordance with Regulation 22(2) of SEBI (SAST) Regulations, reconstitute the Board of Directors of the Target Company. The Acquirers have not decided the names of persons who may be appointed on the Board of Directors of the Target Company.
- 3.1.12 As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required, upon receipt of the Detailed Public Statement, to constitute 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, at least two working days before the commencement of the tendering period, and simultaneously a copy of such recommendations is required to be sent to SEBI, BSE, MSEI and to the Manager to the Offer.

### 3.2 Details of the Proposed Offer

- 3.2.1 In accordance with Regulation 13(4) of the SEBI (SAST) Regulations, the Acquirers have made a Detailed Public Statement within 5 (five) working days from the date of Public Announcement. In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement has been published in the following newspapers:

Name of the Newspaper	Edition	Date
Business Standard (English)	All Editions	August 20, 2019
Business Standard (Hindi)	All Editions	August 20, 2019
Mumbai Lakshadeep (Marathi)	Mumbai	August 20, 2019

- 3.2.2 A copy of the Detailed Public Statement for the Open Offer is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and on the website of the Manager to the Offer at [www.tcagroup.in](http://www.tcagroup.in).
- 3.2.3 The Acquirers are making an offer to acquire up to 8,58,000 (Eight Lakh Fifty Eight Thousand) fully paid-up Equity Shares of Rs. 10/- (Rupees Ten Only) each representing 26% of the Fully Paid Up Equity Share Capital of the Target Company at a price of Rs. 10/- (Rupees Ten Only) per equity share, payable in cash, subject to the terms and conditions set out in the PA, the DPS and this DLOF.
- 3.2.4 The Acquirers have undertaken that in the event the acquisition of Sale Shares, as contemplated in the SPA detailed in the clause 3.1.3 of this DLOF, cannot be completed at the maximum price of Rs. 10 and has to be done at a higher price, in such event the Acquirers will pay the difference of such higher price and the Offer Price, along with the interest, to all the shareholders who have tendered their shares in the Open Offer.
- 3.2.5 The Calculation of the Offer Size is as follows:

Particulars	Number of Shares
Shares outstanding as of tenth working day from the closure of the Tendering Period	33,00,000
Offer Size (in %)	26.00%
Offer Size (in no. of Shares)	8,58,000
Offer Price per share (in Rs.)	10.00
Maximum Offer Size (in Rs.)	85,80,000

- 3.2.6 All the Equity Shares of the Target Company are fully paid up and there are no partly paid up equity shares in the Target Company. There is no differential pricing in the Offer.
- 3.2.7 This is not a competing Offer in terms of Regulation 20 of the SEBI (SAST) Regulations and there has been no competing offer as on the date of this Draft Letter of Offer.
- 3.2.8 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 3.2.9 The Acquirers will acquire upto 8,58,000 (Eight Lakh Fifty Eight 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 8.15 of this Draft Letter of Offer.

- 3.2.10 The Acquirers will acquire only such Equity Shares that are fully paid up, free from all liens, charges and encumbrances and the Equity Shares shall be acquired together with all the rights and interests attached thereto, including all rights to dividend, bonus thereon.
- 3.2.11 In terms of Memorandum of Understanding dated August 09, 2019, entered into by and between the Acquirers, all the shares tendered in this proposed Offer would be acquired by Mr. Srinivas Lankireddy (Acquirer 2) and no other persons/ entities propose to participate in the said acquisition.
- 3.2.12 The Acquirers have not acquired any shares of the Target Company from the date of the PA i.e. August 09, 2019, upto the date of this Draft Letter of Offer.
- 3.2.13 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirers have appointed Turnaround Corporate Advisors Private Limited as the Manager to the Offer.
- 3.2.14 As on the date of this DLOF, the Manager to the Offer does not hold any Equity Shares in the Target Company. 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.
- 3.2.15 Upon completion of the Offer, assuming full acceptance, the Acquirers will collectively hold 28,37,580 (Twenty Eight Lakh Thirty Seven Thousand Five Hundred Eighty) Equity Shares of the Target Company, representing a total of 85.99% of the Fully Paid Up Equity Share Capital. In terms of Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“LODR Regulations”) read with Rule 19A of Securities Contracts (Regulation) Rules, 1957 (“SCCR”), the Target Company is required to maintain at least 25% public shareholding on a continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance, in the event the Public Shareholding in the Target Company falls below the minimum public shareholding requirement as per SCRR and LODR Regulations, 2015, the Acquirers undertake to bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the SCRR, SEBI (SAST) Regulations and as per applicable SEBI guidelines.

### **3.3 Object of the Acquisition/Offer**

- 3.3.1 The Acquirers shall achieve substantial acquisition of equity shares and voting capital, accompanied with effective management control over the Target Company after completion of proposed Open Offer.
- 3.3.2 The main object of this acquisition is to acquire complete management control of the Target Company. The Acquirers may continue the existing line of business of the Target Company or may diversify its business activities in future with the prior approval of shareholders. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 2013, Memorandum and Articles of Association of the Target Company and all applicable laws, rules and regulations, the Board of Directors of the Target Company will take appropriate business decisions from time to time in order to improve the performance of the Target Company. The Acquirers cannot ascertain the repercussions, if any, on the employees and locations of the business place of Target Company.
- 3.3.3 The Acquirers intend to take complete control and management over the Target Company and make changes in the Board of Directors of the Target Company, subsequent to the completion of this Offer, in accordance with the SEBI (SAST) Regulations.
- 3.3.4 the Acquirers do not currently have any intention to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company’s future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the

applicable provisions of the law and subject to the approval of the Shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations.

#### 4. BACKGROUND OF THE ACQUIRERS

##### Information about the Acquirers:

#### 4.1 ACQUIRER 1: M/s GKR Infracon (India) Private Limited (PAN: AAECG5335P, CIN:U45209TG2012PTC078421):

4.1.1 M/s GKR Infracon (India) Private Limited (“Acquirer 1”), is a Private Limited Company, incorporated on January 05, 2012, under the provisions of the Companies Act, 1956. The Corporate Identification Number of Acquirer 1 is U45209TG2012PTC078421. The registered office of Acquirer 1 is situated at 8-2-293/82/J III/550-C/1, Plot No 550-C/1, Road No 92, Jubilee Hills, Hyderabad, Telangana-500033. The Telephone No. of Acquirer 1 is 040-40125863 and its email is gkrinfracon@gmail.com. There has been no change in the name of Acquirer 1 since its incorporation.

4.1.2 In terms of the Main Objects clause of its Memorandum of Association, the Acquirer 1’s is inter-alia permitted to promote, build, develop, maintain, operate, repair, reconstruct and transfer infrastructure facilities pertaining to rural, urban, industrial, agriculture, education, tourism, mining, information technology development and to design, develop, construct operate and maintain roads, bridges, dams, flyovers, hydel projects and other infrastructure projects namely industrial township, housing colonies, industrial estates, technologies parks, cold storage, hotels, motels, resorts, amusement parks anywhere in the world and to act as consultants, advisors, architects, civil engineers, designers, developers, contractor, town planners, valuers, surveyors and supervisors for all sort of construction activities and allied jobs and works. Acquirer 1 is not an NBFC.

4.1.3 The Acquirer 1 does not belong to any group.

4.1.4 There is no person acting in concert with the Acquirer 1 for the purpose of this Offer.

4.1.5 As on the date of this DLOF, Authorized Share Capital of Acquirer 1 is Rs. 6,00,00,000/- (Rupees Six Crore Only), comprising of 60,00,000 (Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each. The issued, subscribed and paid-up equity share capital, is Rs. 6,00,00,000/- (Rupees Six Crore Only), comprising of 60,00,000 (Sixty Lakh) Equity Shares of Rs. 10/- (Rupee Ten) each, fully paid up.

4.1.6 Equity shares of Acquirer 1 are not listed on any Stock Exchange in India.

4.1.7 As on the date of this DLOF, Acquirer 1 is not holding any Equity Shares of the Target Company, accordingly, provisions of chapter V of SEBI (SAST) Regulations are not applicable to Acquirer 1.

4.1.8 As on the date of this DLOF, Acquirer 1, its directors and key employees do not have any interest in the Target Company, except for the transactions contemplated by the Acquirers in the SPA that has triggered this Offer.

4.1.9 Acquirer 1 has confirmed that it is not categorized as a ‘wilful defaulter’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations and has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (“SEBI Act”) or under any other regulations made under the SEBI Act.

4.1.10 Acquirer 1 has confirmed that its Directors, key employees and key shareholders have not been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

4.1.11 The names of the Promoters of Acquirer 1 and their respective shareholding in Acquirer 1, as on the date of this DLOF is provided as under:

Name	Number of Equity Shares held	% of Total Equity Capital
Gopikrishna Lanki Reddy	36,00,000	60.00%
Subba Reddy Lanki Reddy	24,00,000	40.00%
<b>Total</b>	<b>60,00,000</b>	<b>100.00%</b>

4.1.12 Shareholding pattern of the Acquirer 1 is as under:

S. No.	Shareholder's Category	No. Shares held	Percentage
1.	Promoters	60,00,000	100%
2.	FII/ Mutual-Funds/ Fls/Banks	NA	NA
3.	Public	NA	NA
	<b>Total Paid Up Capital</b>	<b>60,00,000</b>	<b>100%</b>

4.1.13 Name and details of the Acquirer 1's Directors:

S. No.	Director's Name	DIN (Director Identification Number)	Date of Appointment	Details of Experience	Qualification
1.	Gopikrishna Lanki Reddy	05136331	05/01/2012	10 Years of experience in financial sector	Chartered Accountant
2.	Lankireddy Subba Reddy	05136335	05/01/2012	30 Years of experience in versatile fields with core focus on financial sector and business analytics	Chartered Accountant
3.	Rajavenkat Reddy Hanmaiahgari	06451288	11/12/2012	More than 30 Years of experience in construction and infrastructure sector	Graduate in Commerce
4.	Srinivas Lankireddy	06428035	29/10/2013	12 Years of experience in financial sector	Chartered Accountant
5.	Sai Tej Kumar Malreddy	06488772	29/10/2013	5 Years of experience in construction and infrastructure sector	Engineering Graduate
6.	Mothe Tarun Reddy	06737728	21/01/2014	More than 6 Years of experience in in construction and infrastructure sector	Engineering Graduate
7.	Malreddy Kavya	06447570	21/01/2014	More than 5 Years of experience in food industry	Graduate
8.	Krishna Mishra Deo	00430067	03/04/2015	More than 35 Years in various fields	Engineering Graduate

As on the date of this DLOF, none of the Directors of Acquirer 1 are on the Board of Directors of the Target Company.

4.1.14 The key financial information of Acquirer 1 based on the unaudited financial statements for the year ended March 31, 2019 and the audited financial statements for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 are as under:

- i. Standalone financial statements for the years ended March 31, 2019, March 31, 2018, March 31, 2017 and March 31, 2016.

(Rupees in Lakh)

Profit & Loss Statement	12 Month Period Ended	12 Month Period Ended		
	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
	Unaudited*	Audited	Audited	Audited
Income from Operations	6,503.87	13,006.81	15,025.55	3,441.36
Other Income	6.63	66.17	103.36	42.10
<b>Total Income</b>	<b>6,510.50</b>	<b>13,072.98</b>	<b>15,128.91</b>	<b>3,483.46</b>

Profit & Loss Statement	12 Month Period Ended	12 Month Period Ended		
	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
	Unaudited*	Audited	Audited	Audited
Total Expenditure (excluding depreciation and interest)	5,575.49	11,721.43	13,856.28	3,132.31
<b>Profit before Depreciation, Interest &amp; Tax</b>	<b>935.01</b>	<b>1,351.55</b>	<b>1,272.63</b>	<b>351.15</b>
Depreciation and amortization expense	231.25	174.50	89.47	34.55
Interest (Finance Cost)	324.01	332.21	244.41	95.66
<b>Profit before Tax &amp; Extra Ordinary Items</b>	<b>379.75</b>	<b>844.83</b>	<b>938.75</b>	<b>220.94</b>
Extra Ordinary Items/Exceptional Items	0.00	0.00	0.00	0.00
<b>Profit Before Tax</b>	<b>379.75</b>	<b>844.83</b>	<b>938.75</b>	<b>220.94</b>
Provision for Tax (Including for deferred tax)	105.65	249.29	314.80	75.60
<b>Profit After Tax</b>	<b>274.10</b>	<b>595.54</b>	<b>623.95</b>	<b>145.34</b>

(Rupees in Lakh)

Balance Sheet	As at	As At		
	Unaudited*	Audited		
	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
<b>Sources of Funds</b>				
Paid-up Share Capital	600.00	600.00	600.00	600.00
Reserves & Surplus (Excluding Revaluation Reserve)	1,738.11	1,464.00	868.46	244.51
<b>Net Worth</b>	<b>2338.11</b>	<b>2,064.00</b>	<b>1,468.46</b>	<b>844.51</b>
Secured Loan	660.89	1,745.12	886.14	1209.76
Unsecured Loan	645.12	501.48	641.05	143.50
<b>Total Loans</b>	<b>1306.01</b>	<b>2,246.60</b>	<b>1,527.19</b>	<b>1,353.26</b>
Deferred Tax Liabilities (Net)	0.00	0.00	0.00	0.00
Other Current Liabilities/Non Current Liabilities	4094.84	6264.97	3,902.14	1,816.98
<b>Grand Total</b>	<b>7738.96</b>	<b>10,575.57</b>	<b>6,897.79</b>	<b>4,014.75</b>
<b>Uses of Funds</b>				
Net Fixed Assets	508.67	560.81	690.19	729.81
Other Non-Current Assets	0.80	0.80	0.52	1.03
Loans and Advances (Long Term+ Short Term)	1,993.45	669.32	1,418.02	88.53
Inventories	1,617.40	1,167.65	1,360.67	298.01
Other Current Assets	3,197.44	7,926.59	1,993.26	1,019.35
Cash and Bank Balances	421.20	250.40	1,435.14	1,878.02
<b>Total</b>	<b>7738.96</b>	<b>10,575.57</b>	<b>6,897.80</b>	<b>4,014.75</b>

Other Financial Data	12 Month Period Ended	12 Month Period Ended		
	Unaudited*	Audited		
	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
Dividend (in %)	-	-	-	-
Basic Earning Per Share (in Rs. per Share)	4.57	9.93	10.40	2.42
Diluted Earning Per Share (in Rs. per Share)	4.57	9.93	10.40	2.42

Contingent Liabilities	12 Month Period Ended	As at		
	Unaudited*	Audited		
	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
There is no Contingent Liabilities during the above stated period				

\* The unaudited financials for the year ended March 31, 2019 have been limited reviewed by M/s Dayanand Krishna & Associates, Chartered Accountants, Statutory Auditors of Acquirer 1.

(Source- As certified by CA K Dayanand (Membership No. 024302), Proprietor of M/s Dayanand Krishna & Associates, Chartered Accountants (Firm Registration No. 010224S), having office at 1-1-17/A/1, Jawahar Nagar, RTC X Roads, Hyderabad- 500020, Ph: 040-27670592, Email Id: [dayanand1752@gmail.com](mailto:dayanand1752@gmail.com) vide certificate dated August 08, 2019)

II. Consolidated financial statements for the year ended March 31, 2019 and March 31, 2018

(Rupees in Lakh)

Profit & Loss Statement	12 Month Period Ended	
	31-Mar-19	31-Mar-18
	Unaudited*	Audited
Income from Operations	6,503.87	13,006.81
Other Income	6.63	66.17
<b>Total Income</b>	<b>6,510.50</b>	<b>13,072.98</b>
Total Expenditure (excluding depreciation and interest)	5,575.49	11,721.43
<b>Profit before Depreciation, Interest &amp; Tax</b>	<b>935.01</b>	<b>1,351.55</b>
Depreciation and amortization expense	231.25	174.50
Interest (Finance Cost)	324.01	332.21
<b>Profit before Tax &amp; Extra Ordinary Items</b>	<b>379.76</b>	<b>844.83</b>
Extra Ordinary Items/Exceptional Items	0.00	0.00
<b>Profit Before Tax</b>	<b>379.76</b>	<b>844.83</b>
Provision for Tax (Including for deferred tax)	105.65	249.29
<b>Profit After Tax</b>	<b>274.11</b>	<b>595.54</b>

(Rupees in Lakh)

Balance Sheet	As at	
	Unaudited*	31-Mar-18
	31-Mar-19	Audited
<b>Sources of Funds</b>		
Paid-up Share Capital	600.00	600.00
Reserves & Surplus (Excluding Revaluation Reserve)	1,738.11	1,464.00
Less: Preliminary Expenses	(1.00)	(1.00)
<b>Net Worth</b>	<b>2337.11</b>	<b>2,063.00</b>
Secured Loan	660.89	1,745.12
Unsecured Loan	645.12	501.48
<b>Total Loans</b>	<b>1306.01</b>	<b>2,246.60</b>
Deferred Tax Liabilities (Net)	0.00	0.00
Other Current Liabilities/Non Current Liabilities	4094.84	6264.97
<b>Grand Total</b>	<b>7737.95</b>	<b>10,574.57</b>
<b>Uses of Funds</b>		
Net Fixed Assets	508.67	560.81
Other Non-Current Assets	0.80	0.80
Loans and Advances (Long Term+ Short Term)	1,993.45	669.32
Inventories	1,617.40	1,167.65
Other Current Assets	3,196.44	7,925.59
Cash and Bank Balances	421.20	250.40
<b>Total</b>	<b>7737.95</b>	<b>10,574.57</b>

Other Financial Data	12 Month Period Ended	
	Unaudited*	31-Mar-18
	31-Mar-19	Audited
Dividend (in %)	-	-
Basic Earning Per Share (in Rs. per Share)	4.57	9.93
Diluted Earning Per Share (in Rs. per Share)	4.57	9.93

Contingent Liabilities	12 Month Period Ended	
	Unaudited*	31-Mar-18
	31-Mar-19	Audited
There is no Contingent Liabilities during the above stated period		

The Company has incorporated a wholly owned subsidiary in the name of “GKR Star Hotels Private Limited” on May 19, 2017.

\* The unaudited financials for the year ended March 31, 2019 have been limited reviewed by M/s Dayanand Krishna & Associates, Chartered Accountants, Statutory Auditors of Acquirer 1.

(Source- As certified by CA K Dayanand (Membership No. 024302), Proprietor of M/s Dayanand Krishna & Associates, Chartered Accountants (Firm Registration No. 010224S), having office at 1-1-17/A/1, Jawahar Nagar, RTC X Roads, Hyderabad 500020, Ph: 040-27670592, Email Id: [dayanand1752@gmail.com](mailto:dayanand1752@gmail.com) vide certificate dated August 08, 2019)

#### 4.2 ACQUIRER 2: Mr. Srinivas Lankireddy (PAN: ABJPL7740E)

4.2.1 Acquirer 2, aged about 37 (Thirty Seven) Years, son of Shri Subba Reddy Lanki Reddy residing at Plot No. 320/A, MLA Colony, Road 12, Banjara Hills, Khairatabad, Hyderabad, Telangana 500034, Tel No.: +91 9966649135. He qualified as a Chartered Accountant in the year 2007. He has experience of over 11 years in the field of finance. He is one of the Directors of Acquirer 1.

4.2.2 Acquirer 2 does not belong to any group.

4.2.3 CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, having office at D. No. 7-47-8/4, Near TTD Kalayanamandapam, Opp. Vinayaka Temple, Indira Nagar, Tadepalligudem, Andhra Pradesh 534101, Ph: +91 9912964896, Email Id: [sriramurthy.velaga@gmail.com](mailto:srirammurthy.velaga@gmail.com), has certified, vide certificate dated August 08, 2019 that the net worth of the Acquirer 2 is Rs. 1,147.68 Lakhs (Rupees One Thousand One Hundred Forty Seven Lakhs and Sixty Eight Thousand only).

4.2.4 As on date of this DLOF, Acquirer 2 is not a Director on the Board of any Listed Company. Further, Acquirer 2 is not serving as a Whole Time Director on the Board of any Listed or Unlisted Company.

4.2.5 As on date of this DLOF Acquirer 2 is not holding any Equity Shares in the Target Company, accordingly, provisions of chapter V of SEBI (SAST) Regulations are not applicable to Acquirer 2.

4.2.6 As on the date of this DLOF, Acquirer 2, does not have any interest in the Target Company, except for the transactions contemplated by the Acquirers in the SPA that has triggered this Offer.

4.2.7 Acquirer 2 has confirmed that he is not categorized as a ‘wilful defaulter’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations and has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

4.2.8 Acquirer 2 has confirmed that he has not been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

#### 4.3 ACQUIRER 3: Mr. Gopikrishna Lanki Reddy (PAN: ACDPL1480C)

4.3.1 Acquirer 3, aged about 34 (Thirty Four) Years, son of Shri Subba Reddy Lankireddy is residing at Plot No. 320/A, MLA Colony, Road No 12, Near ACB Office Banjara Hills, Khairatabad, Hyderabad, Telangana-500034, Tel No.: +91 9949923355. He qualified as a Chartered Accountant in the year 2009. He has experience of approximately 9 years in field of finance. He is one of the Promoters and Directors of Acquirer 1.

- 4.3.2 Acquirer 3 does not belong to any group.
- 4.3.3 CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, having office at D. No. 7-47-8/4, Near TTD Kalayanamandapam, Opp. Vinayaka Temple, Indira Nagar, Tadepalligudem, Andhra Pradesh 534101, Ph: +91 9912964896, Email Id: sriramurthy.velaga@gmail.com, has certified, vide certificate dated August 08, 2019 that the net worth of the Acquirer 3 is Rs. 445.95 Lakhs (Rupees Four Hundred Forty Five Lakhs and Ninety Five Thousand only).
- 4.3.4 As on date of this DLOF, Acquirer 3 is not a Director on the Board of any Listed Company. Further, Acquirer 3 is serving as Managing Director of Acquirer 1. Except as stated herein above, Acquirer 3 is not serving as a whole time director on the Board of any Listed or Unlisted Company.
- 4.3.5 As on date of this DLOF Acquirer 3 is not holding any Equity Shares in the Target Company, accordingly, provisions of chapter V of SEBI (SAST) Regulations are not applicable to Acquirer 3.
- 4.3.6 As on the date of this DLOF, the Acquirer 3, does not have any interest in the Target Company, except for the transactions contemplated by the Acquirers in the SPA that has triggered this Offer.
- 4.3.7 Acquirer 3 has confirmed that he is not categorized as a 'wilful defaulter' in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations and has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 4.3.8 Acquirer 3 has confirmed that he has not been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

#### **4.4 ACQUIRER 4: Mr. Sandesh Reddy Vedere (PAN: ADMPV9799G)**

- 4.4.1 Acquirer 4, aged about 34 (Thirty Four) Years, son of Shri Ram Reddy Vedere is residing at 17/C/B, MLA Colony, Road No 12, MLA Colony, Banjara Hills, Hyderabad, Telengana -500034, Tel No.: +91 8008999828. He is Bachelor of Science with specialization in Industrial Engineering from Purdue University, U.S.A; Master of Science with specialization in Industrial Engineering from Wayne State University, U.S.A. He has experience of more than 7 years in infra & cold storage business.
- 4.4.2 Acquirer 4 does not belong to any group.
- 4.4.3 CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, having office at D. No. 7-47-8/4, Near TTD Kalayanamandapam, Opp. Vinayaka Temple, Indira Nagar, Tadepalligudem, Andhra Pradesh 534101, Ph: +91 9912964896, Email Id: sriramurthy.velaga@gmail.com, has certified, vide certificate dated August 08, 2019 that the net worth of the Acquirer 4 is Rs. 979.92 Lakhs (Rupees Nine Hundred Seventy Nine Lakhs and Ninety Two Thousand only).
- 4.4.4 As on date of this DLOF, Acquirer 4 is not a Director on the Board of any Listed Company. Further, Acquirer 3 is not serving as a whole time director on the Board any Listed or Unlisted Company.
- 4.4.5 As on date of this DLOF Acquirer 4 is not holding any Equity Shares in the Target Company, accordingly, provisions of chapter V of SEBI (SAST) Regulations are not applicable to Acquirer 4.
- 4.4.6 As on the date of this DPS, the Acquirer 4, does not have any interest in the Target Company, except for the transactions contemplated by the Acquirers in the SPA that has triggered this Offer.
- 4.4.7 Acquirer 4 has confirmed that he is not categorized as a 'wilful defaulter' in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations and has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 4.4.8 Acquirer 4 has confirmed that he has not been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

#### **4.5 ACQUIRER 5: Mr. Shiva Kumar Reddy Komati Reddy (PAN: AXUPR9919A)**

- 4.5.1 Acquirer 5, aged about 27 (Twenty Seven) Years, son of Shri Anil Reddy Komati Reddy is residing at Plot No. 315, Road No. 79, Jubilee Hills, Hyderabad 500033, Tel No.: +91 9652340444. He is Bachelor in Civil Engineering from CBIT College, Osmania University. He has a total experience of 4 years. He has been associated with M/s. Sushee Hi-Tech Projects Private Limited as a Whole Time Director since June 10, 2013.
- 4.5.2 Acquirer 5 does not belong to any group.
- 4.5.3 CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, having office at D. No. 7-47-8/4, Near TTD Kalayanamandapam, Opp. Vinayaka Temple, Indira Nagar, Tadepalligudem, Andhra Pradesh 534101, Ph: +91 9912964896, Email Id: sriramurthy.velaga@gmail.com, has certified, vide certificate dated August 08, 2019 that the net worth of the Acquirer 5 is Rs. 468.91 Lakhs (Rupees Four Hundred Sixty Eight Lakhs and Ninety One Thousand only).
- 4.5.4 As on date of this DLOF, Acquirer 5 is not a Director on the Board of any Listed Company. Further, Acquirer 5 is serving as a Whole Time Director on the Board of M/s Sushee Hi-Tech Projects Private Limited. Except as stated herein above, Acquirer 5 is not serving as a whole time director on the Board of any Listed or Unlisted Company.
- 4.5.5 As on date of this DLOF Acquirer 5 is not holding any Equity Shares in the Target Company, accordingly, provisions of chapter V of SEBI (SAST) Regulations are not applicable to Acquirer 5.
- 4.5.6 As on the date of this DPS, the Acquirer 5, does not have any interest in the Target Company, except for the transactions contemplated by the Acquirers in the SPA that has triggered this Offer.
- 4.5.7 Acquirer 5 has confirmed that he is not categorized as a 'wilful defaulter' in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations and has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 4.5.8 Acquirer 5 has confirmed that he has not been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

#### **4.6 Other Information about the Acquirers**

- 4.6.1 The Acquirers have entered into an Acquires' MOU wherein the Acquirers have agreed on the quantum and percentage of shares to be acquired pursuant to the SPA. Further, in terms of the Acquirers' MOU, all the shares tendered in this proposed Offer would be acquired by Mr. Srinivas Lankireddy (Acquirer 2) and no other persons/ entities propose to participate in the said acquisition. For details refer to paragraph 3.1.4 of this DLOF.
- 4.6.2 There are no 'Persons Acting in Concert' within the meaning of Regulation 2(1)(q)(1) of the Regulations in relation to this Open Offer.
- 4.6.3 Regulation 6A of SEBI (SAST) Regulations, 2011 is not applicable as none of the Acquirers are wilful defaulters.
- 4.6.4 **Relationship between the Acquirers:**
- Acquirer 2 is one of the Promoters and Directors of Acquirer 1
  - Acquirer 3 is one of the Directors of Acquirer 1
  - Acquirer 2 and Acquirer 3 are sons of Mr. Lankireddy Subba Reddy, who is one of the Promoters and Directors of Acquirer 1.
  - Acquirer 2 and Acquirer 3 are brothers.

#### **5. BACKGROUND OF CORPORATE MERCHANT BANKERS LIMITED**

*(The disclosures mentioned under this section has been sourced from information available in Public Domain or provided to the Acquirers by the Target Company)*

- 5.1 The Target Company was originally incorporated on August 26, 1994, as “Corporate Merchant Bankers Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi and Haryana vide a certificate of incorporation issued on August 26, 1994. The Target Company was converted from private limited company to public limited company w.e.f. December 26, 1994 and a fresh certificate of incorporation consequent to conversion from private limited company to public limited company was on December 26, 1994 by the Registrar of Companies, NCT of Delhi and Haryana. The Corporate Identity Number of the Company is L74899DL1994PLC061107.
- 5.2 Presently, the registered office of the Target Company is situated at UG-24, Vishwadeep Tower, District Centre, Janak Puri, New Delhi-110058. The corporate office of the Target Company is situated at 8-2-293/BE, Plot No.32, Navanirman Nagar, Jubilee Hills, Hyderabad - 500033, Telangana. The contact no. of Target Company is +91 9966099595.
- 5.3 The Target Company is currently engaged in the business of financial consultancy. The Target Company is registered as a Non- Banking Financial Company (NBFC) with Reserve Bank of India vide a certificate of registration issued on February 24, 1998, The Registration Number is 14.00060.
- 5.4 As on the date of this DLOF, Authorized Share Capital of the Company is Rs 7,00,00,000/- (Rupees Seven Crore Only), comprising of 70,00,000 (Seventy Lakhs) equity shares of Rs 10/- (Rupees Ten Only) each. The issued, subscribed and paid-up equity share capital, is Rs 3,30,00,000/- (Rupees Three Crore Thirty Lakhs Only), comprising of 33,00,000 (Thirty Three Lakhs) equity shares of Rs 10/- (Rupees Ten Only) each, fully paid up.
- 5.5 The share capital structure of the Target Company is as under:

<b>Paid up Equity shares of Target Company</b>	<b>No. of shares/ voting rights</b>	<b>% of shares/ voting rights</b>
Fully Paid up Equity Shares	33,00,000	100
Partly Paid up Equity Shares	Nil	Nil
Total Paid up Equity Shares	33,00,000	100
Total voting rights in the Target Company	33,00,000	100

- 5.6 The entire present paid up Equity Share Capital of the Target Company is currently listed on BSE and MSEI. The Target Company was listed on BSE on December 07, 2016 and on MSEI on February 03, 2015.
- 5.7 The Target Company does not have any partly paid up Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage.
- 5.8 As on the date of this DLOF, the Board of Directors of the Target Company comprises of 4 (Four) Directors. The details of the Board of Directors are as below:

<b>Name of Directors</b>	<b>DIN</b>	<b>Designation</b>	<b>Date of Appointment</b>
Parne Venkateshwar Reddy	06446233	Director	28/11/2014
Satyanarayana Kaduri	06806811	Director	28/11/2014
Vandana Gupta	00013488	Director	13/11/2015
Naubahar Singh	07377882	Director	02/02/2016

As on the date of this Draft Letter of Offer, none of the Directors on the Board of the Target Company are representative of the Acquirers.

- 5.9 There has been no merger, de-merger and spin off in the last 3 (three) years involving the Target Company.
- 5.10 The financial information of the Target Company as per the unaudited financial statements for the three months period ended June 30, 2019 (subjected to limited review by the Statutory Auditors of the Target Company) and audited financial statements for the last three financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 are as follows:

I. STANDALONE FINANCIAL FIGURES FOR PERIOD ENDED JUNE 30, 2019 AND THE YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017:

(Figures Rupees in Lakh)

Profit & Loss Statement (Standalone)	3 months period ended	12 Months Period Ended		
	Un-audited	Audited		
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Income from Operations	3.51	16.17	19.86	19.47
Other Income	-	-	-	-
<b>Total Income</b>	<b>3.51</b>	<b>16.17</b>	<b>19.86</b>	<b>19.47</b>
Total Expenditure (excluding depreciation and interest)	3.35	15.95	19.06	18.55
<b>Profit before Depreciation, Interest &amp; Tax</b>	<b>0.16</b>	<b>0.21</b>	<b>0.79</b>	<b>0.92</b>
Depreciation	-	-	-	-
Interest	-	-	-	-
<b>Profit Before Tax &amp; Extra Ordinary Items</b>	<b>0.16</b>	<b>0.21</b>	<b>0.79</b>	<b>0.92</b>
Extra Ordinary Items/Exceptional Items	-	-	-	-
<b>Profit Before Tax</b>	<b>0.16</b>	<b>0.21</b>	<b>0.79</b>	<b>0.92</b>
Less : Provision for Tax(including deferred tax)	0.05	0.08	0.23	0.31
<b>Profit After Tax</b>	<b>0.11</b>	<b>0.13</b>	<b>0.56</b>	<b>0.61</b>

(Rupees in Lakhs)

Balance Sheet (Standalone)	As at	As at		
	Unaudited	Audited		
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
<b>Sources of Funds</b>				
Paid-up Share Capital	330.00	330.00	330.00	330.00
Reserves & Surplus (Excluding Revaluation Reserve)	6.83	6.72	6.59	6.03
Other Non current liabilities	0.01	0.01	0.01	0.01
Unsecured Loan	11.43	11.43	3.28	10.59
Provisions (Long Term and Short Term)	0.97	0.92	1.07	1.41
Other Current Liabilities	0.95	0.95	3.96	29.27
<b>Total</b>	<b>350.19</b>	<b>350.03</b>	<b>344.91</b>	<b>377.31</b>
<b>Uses of Funds</b>				
Net Fixed Assets	-	-	-	-
Preliminary Expenses	11.45	11.45	17.18	22.90
Non Current Investments	1.00	1.00	1.00	1.00
Loans and Advances (Long term + Short Term)	228.40	228.40	225.91	225.91
Inventories	-	-	-	-
Other Current Assets	40.31	40.26	31.90	42.58
Cash and Bank Balances	69.03	68.92	68.92	84.92
<b>Total</b>	<b>350.19</b>	<b>350.03</b>	<b>344.91</b>	<b>377.31</b>

Other Financial Data (Standalone)	3 months period ended	12 Month Period Ended		
	Un-audited	Audited		
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Net Worth (in Rs. Lacs.)	325.38	325.27	319.42	336.03

Other Financial Data (Standalone)	3 months period ended		12 Month Period Ended	
	Un-audited		Audited	
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Dividend (in %)	-	-	-	-
Basic Earning Per Share (in Rs. per Share)	0.00	0.00	0.02	0.02
Diluted Earning Per Share (in Rs. per Share)	0.00	0.00	0.02	0.02
Return on Net worth (in %)	0.00%	0.04%	0.18%	0.19%
Book Value per (in Rs. per Share)	9.86	9.86	9.68	9.49

(Source- As certified by CA Mulraj D Gala (Membership No. 041206), Proprietor of M/s Mulraj D Gala, Chartered Accountants (Firm Registration No. 0145406W), Statutory Auditors of the Target Company, having Office at B-21, Shashtri Niketan, R. K. Chemburkar Marg, behind Telephone Exchange, Chembur Naka, Mumbai-400071, Tel No.: +91 -22-25294941, Email Id: camdgala@rediffmail.com, dated August 08, 2019)

II. CONSOLIDATED FINANCIAL FIGURES FOR PERIOD ENDED JUNE 30, 2019 AND THE YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017

(Figures Rupees in Lakh)

Profit & Loss Statement (Consolidated)	3 months period ended		12 Months Period Ended	
	Un-audited		Audited	
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Income from Operations	3.51	16.17	19.86	19.47
Other Income	-	-	-	-
<b>Total Income</b>	<b>3.51</b>	<b>16.17</b>	<b>19.86</b>	<b>19.47</b>
Total Expenditure (excluding depreciation and interest)	3.35	16.22	19.45	18.77
<b>Profit before Depreciation, Interest &amp; Tax</b>	<b>0.16</b>	<b>-0.05</b>	<b>0.41</b>	<b>0.70</b>
Depreciation	-	-	-	-
Interest	-	-	-	-
<b>Profit Before Tax &amp; Extra Ordinary Items</b>	<b>0.16</b>	<b>-0.05</b>	<b>0.41</b>	<b>0.70</b>
Extra Ordinary Items/Exceptional Items	-	-	-	-
<b>Profit Before Tax</b>	<b>0.16</b>	<b>-0.05</b>	<b>0.41</b>	<b>0.70</b>
Less : Provision for Tax(including deferred tax)	0.05	0.08	0.23	0.31
<b>Profit After Tax</b>	<b>0.11</b>	<b>-0.13</b>	<b>0.17</b>	<b>0.39</b>
<b>Profit/(Loss) of Associate Companies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit (Loss) of minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Group Profit/(Loss) After Tax for the year</b>	<b>0.11</b>	<b>-0.13</b>	<b>0.17</b>	<b>0.39</b>

(Rupees in Lakhs)

Balance Sheet (Consolidated)	As at		As at	
	Unaudited		Audited	
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
<b>Sources of Funds</b>				
Paid-up Share Capital	330.00	330.00	330.00	330.00
Reserves & Surplus (Excluding Revaluation Reserve)	5.97	5.86	5.99	5.81

Balance Sheet (Consolidated)	As at		As at	
	Unaudited		Audited	
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Minority Interest	-	-	-	-
Other Non current liabilities	0.01	0.01	0.01	0.01
Secured Loan	-	-	-	-
Unsecured Loan	11.43	11.43	3.29	10.59
Provisions (Long Term and Short Term)	0.96	0.91	1.06	1.41
Other Current Liabilities	1.07	1.07	3.96	29.39
<b>Total</b>	<b>349.44</b>	<b>349.28</b>	<b>344.31</b>	<b>377.21</b>
<b>Uses of Funds</b>				
Net Fixed Assets	-	-	-	-
Deferred Tax Assets (Net)	-	-	-	-
Preliminary Expenses	11.65	11.65	17.48	22.30
Loans and Advances (Long term + Short Term)	228.40	228.40	226.01	225.91
Inventories	-	-	-	-
Other Current Assets	40.19	40.26	31.91	42.59
Cash and Bank Balances	69.20	68.97	68.91	85.41
<b>Total</b>	<b>349.44</b>	<b>349.28</b>	<b>344.31</b>	<b>377.21</b>

Other Financial Data (Standalone)	3 months period ended		12 Month Period Ended	
	Un-audited		Audited	
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Net Worth (in Rs. Lacs.)	324.32	324.21	318.51	312.51
Dividend (in %)	-	-	-	-
Basic Earning Per Share (in Rs. per Share)	0.00	0.00	0.01	0.01
Diluted Earning Per Share (in Rs. per Share)	0.00	0.00	0.01	0.01
Return on Net worth (in %)	0.00%	0.04%	0.18%	0.19%
Book Value per (in Rs. per Share)	9.82	9.82	9.65	9.47

(Source- As certified by CA Mulraj D Gala (Membership No. 041206), Proprietor of M/s Mulraj D Gala, Chartered Accountants (Firm Registration No. 0145406W), Statutory Auditors of the Target Company, having Office at B-21, Shashtri Niketan, R. K. Chemburkar Marg, behind Telephone Exchange, Chembur Naka, Mumbai-400071, Tel No.: +91 -22-25294941, Email Id: camdgala@rediffmail.com, dated August 08, 2019)

5.11 As on the date of this Draft Letter of Offer, shareholding in the Target Company before and after the Offer (assuming full acceptances in the Offer) is given in the table below:

Shareholders' Category	Shareholding & voting rights prior to the SPA and Offer <sup>#</sup>		Equity Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/Voting rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding / voting rights after the acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter Group</b>								
a. Parties to SPA								
M/s Cosmos Industries Limited	19,79,580	59.99	(19,79,580)	(59.99)	Nil	N.A.	Nil	N.A.

Shareholders' Category	Shareholding & voting rights prior to the SPA and Offer <sup>#</sup>		Equity Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/Voting rights to be acquired in the Open Offer (assuming full acceptance)		Shareholding / voting rights after the acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
b. Promoters other than (a) above								
Deepak Yadav	3,08,500	9.35	Nil	N.A.	Note 1	Note 1	Note 1	Note 1
Bhavna Yadav	1,77,000	5.36	Nil	N.A.				
<b>Total 1b</b>	<b>4,85,500</b>	<b>14.71</b>	<b>Nil</b>	<b>N.A.</b>	<b>Note 1</b>	<b>Note 1</b>	<b>Note 1</b>	<b>Note 1</b>
<b>Total 1(a+b)</b>	<b>24,65,080</b>	<b>74.70</b>	<b>(19,79,580)</b>	<b>(59.99)</b>	<b>Note 1</b>	<b>Note 1</b>	<b>Note 1</b>	<b>Note 1</b>
<b>(2) Acquirers</b>								
<b>a. Main Acquirers</b>								
M/s GKR Infracon (India) Private Limited	-	-	98,979	3.00	-	-	98,979	3.00
Srinivas Lankireddy	-	-	5,93,874	18.00	8,58,000	26.00	14,51,874	44.00
Gopikrishna Lanki Reddy	-	-	4,94,895	15.00	-	-	4,94,895	15.00
Sandesh Reddy Vedere	-	-	3,95,916	12.00	-	-	3,95,916	12.00
Shiva Kumar Reddy Komati Reddy	-	-	3,95,916	12.00	-	-	3,95,916	12.00
<b>Total 2a</b>	<b>-</b>	<b>-</b>			<b>8,58,000</b>	<b>26.00</b>	<b>28,37,580</b>	<b>85.99</b>
b. PACs	Nil	N.A	Nil	N.A	Nil	N.A	Nil	N.A
<b>Total 2(a+b)</b>	<b>-</b>	<b>-</b>	<b>19,79,580</b>	<b>59.99</b>	<b>8,58,000</b>	<b>26.00</b>	<b>28,37,580</b>	<b>85.99</b>
<b>(3) Parties to agreement other than (1)&amp; (2)</b>	Nil	N.A	-	-	Nil	N.A	Nil	N.A
<b>(4) a) Public (other than parties to agreement, Acquirers &amp; PAC)</b>								
b) FIs/MFs/FIIs/Banks/ Insurance Companies	Nil <sup>#</sup>	N.A	-	-	Note 1	Note 1	Note 1	Note 1
c) Others	<b>8,34,920<sup>#</sup></b>	<b>25.30</b>	-	-				
<b>Total (4) (a+b)</b>	<b>834,920</b>	<b>25.30</b>	<b>-</b>	<b>-</b>	<b>Note 1</b>	<b>Note 1</b>	<b>Note 1</b>	<b>Note 1</b>
Total No. of Shareholders in Public category (excluding parties to the SPA)	561 <sup>#</sup>							
<b>GRAND TOTAL (1+2+3+4)</b>	<b>33,00,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,00,000</b>	<b>100.00</b>

<sup>#</sup> Based on shareholding pattern of the Target Company as on June 30, 2019, as available on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com).

Note 1: The actual number of shares tendered in the Open Offer cannot be ascertained at the moment. The Open Offer is being made to all the Eligible Shareholders of the Target Company, accordingly, the shares maybe tendered by all the eligible shareholders, including the current Promoters, except the Seller.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 Justification of offer price

6.1.1 This Open Offer is pursuant to Direct Acquisition.

6.1.2 The Equity Shares of the Target Company are listed on BSE and MSEI.

6.1.3 The total trading turnover in the Equity Shares of the Target Company on BSE and MSEI based on trading volume during the twelve calendar months prior to the month of Public Announcement (i.e. from August 2018 to July 2019) is as under:

Name of the Stock Exchange	Total No. of Equity Shares traded during the Twelve months prior to the month of PA	Total No. of Equity Shares listed	Total Trading Turnover (as % of total Equity Shares listed)
BSE	128	33,00,000	0.004%
MSEI	Nil	33,00,000	Nil

6.1.4 Based on the above information, Equity Shares of Target Company are not frequently traded on BSE and MSEI within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations. Accordingly the Offer Price has been determined taking into account the parameters as set out under Regulation 8(2) of SEBI (SAST) Regulations, as under:

1	Negotiated Price under the Share Purchase Agreement (“SPA”)	Rs. 10.00*
2	The volume-weighted average price paid or payable for acquisition by the Acquirer during 52 weeks immediately preceding the date of PA	Not Applicable
3	Highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA	Not Applicable
4	The Volume-Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	Not Applicable
5	Fair Value of Equity Share of Target Company, as certified by CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, vide certificate dated August 08, 2019**	Rs. 9.86
6	<b>Other financial Parameters</b>	For the year ended March 2019 (based on standalone Audited financials)***
a.	Return on Net Worth (%)	0.04%
b.	Book value per Share (Rs.)	9.86
c.	Earnings per Share	0.00

\* Assuming that the Sale Shares to be acquired pursuant to the SPA are acquired at the highest purchase consideration (being Rs. 10 per Equity Share), as detailed under clause a) of salient features of the SPA, detailed under “Part II (Background of the Offer)”.

\*\*\* Source - Standalone Audited Financials for FY 2018-19

\*\* The relevant extract of the certificate dated August 08, 2019 issued by CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, having office at D. No. 7-47-8/4, Near TTD Kalayanamandapam, Opp. Vinayaka Temple, Indira Nagar, Tadepalligudem, Andhra Pradesh 534101, Ph: +91 9912964896, Email Id: sriramurthy.velaga@gmail.com, certifying the Fair Value of Equity Shares of the Target Company is provided as under:

**Quote:**

*In the case of Hindustan Lever Employees’ Union vs Hindustan Lever Limited (1995), the honourable Supreme Court of India upheld the use of the following three bases of valuation:*

- (i) the net asset value method;
- (ii) the yield method; and
- (iii) the market value method.

**In case of Corporate Merchant Bankers Limited:**

- (i) **The net asset value method (NAV):** The Net Asset Value based on Standalone Audited Financial Statements of the Target Company for the year ended March 31, 2019 is Rs. 9.86/- (Rupees Nine and Paise Eighty Six Only) per Equity Share.
- (ii) **The yield method (Price Earning Capacity value/PECV):** For calculating the value based on Profit Earning Capacity, average profit after tax based on the Standalone Audited Financial Statements of the Target Company for the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 have been considered. The average profit after tax based on last three years' audited standalone financial statements is Rs. 0.43 Lakh. Based on that, weighted average EPS of the Company comes out to Rs. 0.01 per Equity Share. The Profit Earning Capacity Value (PECV) of the company comes to Rs. 0.07 per Equity Share after considering a capitalization rate of 20.00%, since the Target Company has been considered as trading company and we have used a capitalization rate of 20.00%.
- (iii) **The market value method:** The Target Company is currently listed on BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited ["MSEI"]. The Equity Shares of the Target Company were not traded since their listing on MSEI. Further, there is sporadic trading in the Equity Shares of the Target Company on BSE Limited. In absence of any market quotations of the Equity Shares of the Target Company on MSEI and owing to the sporadic trading in the Equity Shares of the Target Company on BSE, determination of market value of the Equity Shares of the Target Company by market price method is not viable. Therefore the Market Price method has not been considered for valuation in the present case.

Considering the honourable Supreme Court's decision in the case of Hindustan Lever Employees Union vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30) wherein the apex court has opined that under certain circumstances the fair value of a Company could be assessed based on weights, we have assigned the following weights for the purpose of computing the Fair Market Value:-

Particulars (A)	Price per Equity Share (in Rs.) (B)	Weight (C)	Product (In Rs.) D= B*C
NAV Method	9.68	1	9.86
PE Multiple	0.07	0	0
Market Value Method	Ignored based on the reasons provided in explanation above		
<b>Fair Value per Equity Share</b>			<b>9.86</b>

**Conclusion:**

We are of the opinion that based on the information as referred to hereinabove, the Value of Equity Shares of Corporate Merchant Bankers Limited in terms of the honourable Supreme Court's decision in the Hindustan Lever Employees' Union vs. Hindustan Lever Limited (1995) reported at (83 Companies Cases 30), is Rs. 9.86/- (Rupees Nine and Paise Eighty Six only) per Equity Share.

**Unquote.**

- 6.1.5 In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 10/- (Rupees Ten Only) per Equity Share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.
- 6.1.6 The relevant price parameters have not been adjusted for any corporate actions.
- 6.1.7 As on date, there is no revision in Offer Price or Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirers shall comply with Regulation 18 of SEBI (SAST) Regulations and all the provisions of SEBI (SAST) Regulations, which are required to be fulfilled for the said revision in the Offer Price or Offer Size.

6.1.8 If there is any revision in the Offer Price on account of future purchases/competing offers, it will be done only at any time prior to the commencement of the last one working day before the date of commencement of the tendering period and would be notified to shareholders of the Target Company by way of announcement in all the newspapers in which this Detailed Public Statement pursuant to the Public Announcement was made.

## 6.2 Financial Arrangements:

- 6.2.1 The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of up to 8,58,000 (Eight Lakh Fifty Eight Thousand Only) Equity Shares at a price of Rs. 10/- (Rupees Ten Only) per Equity Share is Rs. 85,80,000/- (Rupees Eighty Five Lakh Eighty Thousand Only). (“Maximum Consideration”).
- 6.2.2 The Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full, out of their own sources.
- 6.2.3 CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, having office at D. No. 7-47-8/4, Near TTD Kalayanamandapam, Opp. Vinayaka Temple, Indira Nagar, Tadepalligudem, Andhra Pradesh 534101, Ph: +91 9912964896, Email Id: sriramurthy.velaga@gmail.com, has certified, vide certificate dated August 08, 2019, that sufficient resources are available with the Acquirers for fulfilling their obligations under this Offer in full.
- 6.2.4 In accordance with Regulation 17 of the SEBI (SAST) Regulations, Acquirers and the Manager to the Offer have entered into an escrow agreement dated August 09, 2019 with Kotak Mahindra Bank Limited, having its registered office at 27, BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra-400051 and through its branch situated at Ground Floor & Rear Basement, B - 1/8 & B - 1/9, Sector - 51, Noida, Uttar Pradesh (“Escrow Bank”) in terms of which the Acquirers have opened an Escrow Account in the name and style of “CMBL OPEN OFFER ESCROW ACCOUNT” bearing number 6413084972 (“Escrow Account”) with the Escrow Bank. Pursuant to the Escrow Agreement, the Acquirers have deposited cash of an amount of Rs. 1,00,000/- (Rupees One Lakh Only) being more than 1% of the Maximum Consideration (“Cash Escrow”) in an escrow account opened with the Escrow Bank. The Cash Escrow amount may be converted into the Fixed Deposit. Further, Andhra Bank through its branch at G-5, Block - II, Plot No. 55e, Adityahrudayah Express Highway, Kondapur, Hyderabad, Telangana, on behalf of the Acquirers, has furnished an unconditional, irrevocable and on demand bank guarantee, pursuant to bank guarantee letter dated August 16, 2019 aggregating to an amount of Rs. 21,50,000/- (Rupees Twenty One Lakh and Fifty Thousand Only) in favour of the Manager to the Offer (“Bank Guarantee”). The amount of Bank Guarantee is in compliance with the requirements of Regulation 17 of the SEBI (SAST) Regulations, i.e. being more than 25% of the maximum consideration payable under the Offer. The Bank Guarantee is valid upto February 15, 2021. The Acquirers have undertaken that in case the Offer process is not completed within the validity of Bank Guarantee, then the Bank Guarantee will be further extended to such period, so as to ensure that it is valid till at least upto the 30th day from the date of completion of the payment of consideration under the Offer.
- 6.2.5 The Manager to the Offer is authorized to operate the above mentioned Escrow Account and has been duly empowered to realize the value of the Escrow Account and the Bank Guarantee in terms of the SEBI (SAST) Regulations.
- 6.2.6 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that firm arrangement for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

## 7. TERMS AND CONDITIONS OF THE OFFER

### 7.1 Operational terms and conditions

- 7.1.1 The Offer is not conditional and is not subject to minimum level of acceptances.

- 7.1.2 Letters of Offer will be dispatched to all the Eligible Shareholders of Target Company, whose names appear in its Register of Members on Tuesday, September 24, 2019, the Identified Date. The Eligible Shareholders whose email ids are registered with the Depositories/ the Target Company/ Registrar to the Offer shall be dispatched the LOF through electronic means. If Eligible Shareholders who have been sent the LOF through electronic means wish to obtain a physical copy of the LOF, they may send a request in writing to the Registrar to the Offer at the address or email id mentioned on the cover page of the LOF by stating such Shareholder's name, address, number of Equity Shares held on Identified Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the LOF shall be provided to such Eligible Shareholders. The Eligible Shareholders who have not registered their email ids with the Depositories / the Target Company/ Registrar to the Offer shall be dispatched the LOF through physical mode by registered post / speed post / courier.
- 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 Announcements 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](http://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 paragraph 7.4 of this Letter of Offer. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 7.1.6 Accidental omission to dispatch the Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.7 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and shall be sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 7.1.8 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/ orders regarding these Equity Shares are not received along with the equity shares tendered under the Offer. The Equity Shares offered under the Offer shall be free from all liens, charges and encumbrances and shall be offered together with all the rights and interests attached thereto, including all rights to dividend, bonus thereon.
- 7.1.9 Each Eligible Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.
- 7.1.10 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Eligible Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.2 **Locked in shares:** As on the date of this DLOF, there are no locked in shares in the Target Company.
- 7.3 **Persons eligible to participate in the Offer**  
All Eligible Shareholders of the Target Company are eligible to participate in the Offer anytime before the closure of the Offer.
- 7.4 **Statutory approvals and other approvals required for the offer**
- 7.4.1 As on the date of this DLoF, to the best of knowledge of the Acquirers, no statutory and other approvals are required in relation to the Offer, except the following:
- a. **Approval from Reserve Bank of India:** Approval of Reserve Bank of India under Non-Banking Financial

Companies (Approval of Acquisition or Transfer of Control) Directions, 2015 issued in terms of Notification No. DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015 is required for completing the Offer. The Target Company is in the process of filing of requisite application with the RBI.

- 7.4.2 Except as mentioned above, there are no other statutory approvals and/or consent required in relation to the Open Offer. However, if any statutory approvals are required or become applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.
- 7.4.3 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to 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.
- 7.4.4 Subject to the receipt of statutory and other approvals, if any, the Acquirers shall complete all requirements relating to this Offer including payment to the shareholders who have accepted the Open Offer within 10 working days from the date of closure of the Tendering Period.
- 7.4.5 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 approvals, grant extension of time for the purpose of making the payments, subject to the Acquirers agreeing to pay interest to the Equity Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. However, where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirers have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.
- 7.4.6 There are no conditions stipulated in the SPA, the meeting of which would be outside the reasonable control of the Acquirers and in view of which the Offer might be withdrawn under Regulation 23 of the SEBI (SAST) Regulations.
- 7.4.7 If any of the statutory approvals set out above, are not met for reasons outside the reasonable control of the Acquirers, or in the event the statutory approvals are refused, the Acquirers, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS was published and such announcement will also be sent to SEBI, BSE, MSEI and the Target Company at its Registered Office.

## 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1 The Target Company is presently having connectivity with Central Depository Services (India) Limited ('CDSL') and National Securities Depositories Limited ('NSDL'). The ISIN of the Target Company is INE850R01014.
- 8.2 The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism as provided under the SEBI (SAST) Regulations and circular No. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.
- 8.3 BSE will be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
- 8.4 The Acquirer shall request BSE to provide a separate acquisition window ("**Acquisition Window**") to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Open Offer.
- 8.5 The Acquirers have appointed KK Securities Limited ("**Buying Broker**") as its broker for the Open Offer through whom the purchase and settlement of the Offer Shares tendered in the Open Offer will be made during the Tendering Period. The contact details of the Buying Broker are as mentioned below:

**Name: KK Securities Limited**

**Address: 76-77, Scindia House, Janpath, New Delhi - 110001**

**Contact Person: Mr. Sanjay Bansal**

**Telephone No.: 011-46890000**

**Email Id: kksl@kksecurities.com**

- 8.6 Eligible Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers (“Selling Broker”), during the normal trading hours of the secondary market during Tendering Period. Separate Acquisition window will be provided by BSE to facilitate placing of sell orders.
- 8.7 **The Selling Brokers can enter orders for dematerialised Equity Shares only.** The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the BSE during the Tendering Period.
- 8.8 Eligible Shareholders can tender their shares only through a broker with whom the shareholder is registered as a client (KYC Compliant).
- 8.9 In the event Seller Broker(s) are not registered with BSE or if the Shareholder do not have any stock broker then that Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Shareholder may approach Buying Broker viz. KK Securities Limited, to bid by using quick UCC facility. The Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

#### **IN CASE OF SHAREHOLDER BEING AN INDIVIDUAL:**

##### **If Shareholder is registered with KYC Registration Agency (“KRA”): Documents required:**

- ✓ Central Know your Client (CKYC) form including FATCA, IPV, OSV if applicable.
- ✓ Know your Client (KYC) form Documents required (all documents self -attested)
- ✓ Bank details (cancelled cheque)
- ✓ Demat details (Demat Master /Latest Demat statement)

##### **If Shareholder is not registered with KRA: Documents required:**

- ✓ CKYC form including FATCA, IPV, OSV if applicable
- ✓ KRA form
- ✓ KYC form Documents required (all documents self-attested):
  - ✚ PAN card copy
  - ✚ Address proof
  - ✚ Bank details (cancelled cheque)
- ✓ Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

#### **IN CASE OF SHAREHOLDER IS HUF:**

##### **If Shareholder is registered with KYC Registration Agency (“KRA”): Documents required:**

- ✓ Central Know your Client (CKYC) form of Karta including FATCA, IPV, OSV if applicable.
- ✓ Know your Client (KYC) form Documents required (all documents self -attested)
- ✓ Bank details (cancelled cheque)
- ✓ Demat details (Demat Master /Latest Demat statement)

**If Shareholder is not registered with KRA: Documents required:**

- ✓ CKYC form of Karta including FATCA, IPV, OSV if applicable
- ✓ KRA form
- ✓ KYC form Documents required (all documents self-attested):
  - ✚ PAN card copy of HUF and Karta
  - ✚ Address proof of HUF and Karta
  - ✚ HUF Declaration
  - ✚ Bank details (cancelled cheque)
- ✓ Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

**IN CASE OF SHAREHOLDER OTHER THAN INDIVIDUAL AND HUF:**

**If Shareholder is registered with KYC Registration Agency (“KRA”): Documents required:**

- ✓ Know Your Client (KYC) form Documents required (all documents certified true copy)
- ✓ Bank details (cancelled cheque)
- ✓ Demat details (Demat master /Latest Demat statement)
- ✓ FATCA, IPV, OSV if applicable
- ✓ Latest list of directors/authorised signatories/partners/trustees
- ✓ Latest shareholding pattern
- ✓ Board resolution
- ✓ Details of ultimate beneficial owner along with PAN card and address proof
- ✓ Last 2 years financial statements

**If Shareholder is not registered with KRA: Documents required:**

- ✓ KRA form
- ✓ Know Your Client (KYC) form Documents required (all documents certified true copy):
  - ✚ PAN card copy of company/ firm/trust
  - ✚ Address proof of company/ firm/trust
- ✓ Bank details (cancelled cheque)
- ✓ Demat details (Demat Master /Latest Demat statement)
- ✓ FATCA, IPV, OSV if applicable
- ✓ Latest list of directors/authorised signatories /partners/trustees
- ✓ PAN card copies & address proof of directors/ authorized signatories/ partners/ trustees
- ✓ Latest shareholding pattern
- ✓ Board resolution/partnership declaration
- ✓ Details of ultimate beneficial owner along with PAN card and address proof
- ✓ Last 2 years financial statements
- ✓ MOA/Partnership deed /trust deed

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

**8.10 Procedure for tendering Equity Shares held in dematerialised Form:**

- a) The Eligible Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Open Offer shall approach their broker indicating to their broker the details of Equity Shares they intend to tender in Open Offer.
- b) The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.

- c) For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- d) The Seller Member would be required to place an order/bid on behalf of the Equity Shareholders who wish to tender Equity Shares in the Offer using the Acquisition Window of the BSE. Before placing the bid, the Shareholder would be required to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited (the "ICCL"), by using the early pay in mechanism prior to placing the bid by the Seller Member.
- 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 Designated 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 exchange bidding system to the Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, client ID, no. of Equity Shares tendered etc.
- g) The Eligible 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 Open Offer.
- h) Modification / cancellation of orders will not be allowed during the period the Offer is open.
- i) The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the Tendering Period

**The Eligible Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement. The Eligible Shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.**

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

- a) As per the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Press Release (PR) no. 51/2018 dated December 03, 2018 and Press Release (PR) no. 12/2019 dated March 27, 2019, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. April 1, 2019.
- b) Accordingly, the Eligible Shareholders who are holding equity shares in physical form and are desirous of tendering their equity shares in the Offer can do so only after the equity shares are dematerialized. Such Eligible Shareholders are advised to approach any depository participant to have their equity shares dematerialized.

#### **8.12 Procedure for tendering the shares in case of non-receipt of LOF**

Eligible Shareholders 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 LOF, may also participate in this Offer. Eligible Shareholders may participate in the Offer by approaching their broker and tender Equity Shares in the Open Offer as per the procedure mentioned in this LOF or in the Form of Acceptance-cum-Acknowledgement. The LOF along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the Eligible Shareholders as of the Identified Date.

In case of non-receipt of the LOF, such Eligible Shareholders may download the same from the SEBI website

(www.sebi.gov.in) or Manager to the Offer's website (www.tcagroup.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.

Alternatively, in case of non-receipt of the LOF, the Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of Equity Shares held, client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents as mentioned in Paragraphs 8.9 and 8.10. Such Shareholders have to ensure that their order is entered in the electronic platform of BSE which will be made available by BSE before the closure of the Tendering Period.

8.13 Non-receipt of the LOF by, or accidental omission to dispatch this LOF to any shareholder, shall not invalidate the Offer in any way.

8.14 The acceptance of the Offer made by the Acquirers is entirely at the discretion of the Eligible Shareholders of the Target Company. The Acquirers do not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Acquirers will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

#### 8.15 Acceptance of Equity Shares

The Equity Shares tendered in the Offer shall be held in the pool account of the broker / in trust by the Clearing Corporation /Registrar to the Offer until the completion of the Offer formalities.

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

#### 8.16 Settlement Process

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

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation

For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker's settlement bank account for onward transfer to their respective shareholders.

In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.

The Equity 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 non-acceptance of the shares under the Offer.

Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders, shall be returned to the Eligible Shareholders by Clearing Corporation. However, in the event of any rejection of transfer to the demat account of the Eligible Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Eligible Shareholders.

#### **8.17 Settlement of Funds / Payment Consideration**

The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.

For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds payout to respective Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder / Selling Broker will receive funds payout in their settlement bank account.

The funds received from the Buying Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.

The settlement of fund obligation for demat and physical Equity Shares shall be effected through existing settlement accounts of Selling Broker. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Selling Broker / custodian participant will receive funds payout in their settlement bank account. The Selling Brokers / custodian participants would pay the consideration to their respective clients. The funds received from Buying Broker by the Clearing Corporation will be released to the Selling Broker(s) as per secondary market pay-out mechanism.

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

In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirers for making payment of consideration to the Eligible Shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if so directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

### **9. COMPLIANCE WITH TAX REQUIREMENTS:**

9.1 The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 ("IT Act"). A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "Status" of such shares. "Status" of the shares is generally where a company is "incorporated". Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act. Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for income-tax purposes, depending upon whether such shares were held as a capital asset or

business asset (i.e. stock-in-trade). The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates. Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.

#### **Taxability of Capital Gain in the hands of the Eligible Shareholders:**

- a. The Finance Act, 2018 has withdrawn the exemption under section 10(38) for LTCG arising from transfer of equity shares on or after 1 April 2018. The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale (subject to certain transactions, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable, as notified). Under this provision the capital gains tax would be calculated on gains exceeding INR 100,000 (Indian Rupees One Lakh only) (without any indexation). It may also be noted that any capital gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.
- b. As per section 111A of the Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Eligible Shareholders (except certain specific categories).
- c. Any applicable surcharge and education cess would be in addition to above applicable rates.
- d. **Tax deducted at Source:** In case of resident Eligible Shareholders, in absence of any specific provision under the IT Act, the Acquirer shall not deduct tax on the consideration payable to resident Eligible Shareholders pursuant to the Offer. However, in case of non-resident Eligible Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Eligible Shareholders. It is therefore recommended that the non-resident Eligible Shareholder may consult their custodians/authorized dealers/ tax advisors appropriately. However, in case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the IT Act.

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

- 9.2 THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE ELIGIBLE 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 AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY ELIGIBLE SHAREHOLDER AS A REASON OF THIS OFFER

## 10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Eligible Shareholders at the office of the Manager to the Offer at 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi - 110058 from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

- a) Copy of Share Purchase Agreement dated August 09, 2019.
- b) Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- c) Certificate dated August 08, 2019 by CA K Dayanand (Membership No. 024302), Proprietor of M/s Dayanand Krishna & Associates, Chartered Accountants (Firm Registration No. 010224S), Statutory Auditors of Acquirer 1, certifying the brief financials of Acquirer 1 based on standalone unaudited financial statements for the year ended March 31, 2019 and the standalone audited financial statements for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 and the Consolidated unaudited financial statements for the year ended March 31, 2019 and Consolidated audited financial statements for the year ended March 31, 2018.
- d) Certificate dated August 08, 2019, from CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, certifying the Net Worth of Acquirer 2.
- e) Certificate dated August 08, 2019, from CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, certifying the Net Worth of Acquirer 3.
- f) Certificate dated August 08, 2019, from CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, certifying the Net Worth of Acquirer 4.
- g) Certificate dated August 08, 2019, from CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, certifying the Net Worth of Acquirer 5.
- h) Certificate dated August 08, 2019 by CA Sreerama Murthy .V (Membership No. 227993), Chartered Accountant, confirming that the Acquirers have adequate financial resources available for meeting their obligations under the Open Offer.
- i) Annual Reports of the Acquirer 1 for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, along with unaudited financials (standalone and consolidated) of Acquire 1, subject to limited review by the Statutory Auditors of Acquirer 1 for the year ended March 31, 2019.
- j) Annual Reports of the Target Company for the years ended March 31, 2019, 2018 and 2017 and unaudited financial results (subjected to limited review by the Statutory Auditors of the Target Company) for the three months period ended June 30, 2019.
- k) Certificate dated August 08, 2019 issued by CA Mulraj D Gala (Membership No. 041206), Proprietor of M/s Mulraj D Gala, Chartered Accountants (Firm Registration No. 0145406W), Statutory Auditors of the Target Company, certifying the Standalone and Consolidated financial data of the Target Company based on the Standalone and Consolidated Audited financials for the financial years ended March 31, 2019, 2018 and 2017 and the Standalone and Consolidated unaudited financial results (subjected to limited review by the Statutory Auditors of the Target Company) for the three months period ended June 30, 2019.
- l) Copy of Escrow Agreement entered between the Acquirers, Manager to the Offer and the Escrow Bank.
- m) Letter from Escrow Bank confirming the cash deposit of Rs. 1,00,000 (Rupees One Lakh only) in the Escrow Account.
- n) Copy of Agreement dated August 03, 2019 between the Acquirers and the Registrar to the Offer for the purpose of the Offer.

- o) Copy of Memorandum of Understanding dated August 09, 2019 between the Acquirers and Manager to the Offer.
- p) Copy of the PA dated August 09, 2019, the DPS dated August 19, 2019 (published on August 20, 2019), and all other notices (including corrigenda released, if any) in connection with the Offer.
- q) Published Copy of the Offer Opening Public Announcement published by the Manager to the Offer on behalf of the Acquirers.
- r) Published Copy of the recommendation made by the Committee of the Independent Directors of the Target Company.
- s) Copy of the letter from SEBI dated [●] containing its comments on the Draft Letter of Offer.
- t) Authority Letter from Acquirer 3, Acquirer 4 and Acquirer 5. Authorizing Acquirer 2 to execute the PA, DPS, DLoF. LoF and other notices (including corrigenda released, if any) in connection with the Offer, on their behalf and also authorizing Acquirer 2 to do all such acts, as may be incidental for giving effect to the Offer.
- u) Board Resolution from Acquirer 1, Authorizing Acquirer 2 in his individual capacity, to execute the PA, DPS, DLoF. LoF and other notices (including corrigenda released, if any) in connection with the Offer, on its behalf and also authorizing Acquirer 2 to do all such acts, as may be incidental for giving effect to the Offer.
- v) Copy of Memorandum of understanding date August 09, 2019, wherein the wherein the Acquirers have agreed on the quantum and percentage of shares to be acquired pursuant to the SPA and also pursuant to the proposed Open Offer.

## 11. DECLARATION BY THE ACQUIRERS

The Acquirers, jointly and severally, accept full responsibility for the information contained in this DLOF.

The Acquirers, jointly and severally, accept responsibility for ensuring the compliance with the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations.

The Acquirers having made all reasonable inquiries, accept full responsibility and confirms that this DLOF is in compliance with the SEBI (SAST) Regulations, and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this DLOF is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Manager to the Offer hereby states that the person signing this DLOF on behalf of the Acquirers has been duly and legally authorised by Acquirer 1, Acquirer 3, Acquirer4 and Acquirer 5.

**For and on behalf of the Acquirers**

**Sd/-  
(SRINIVAS LANKIREDDY)**

**Date:** August 27, 2019

**Place:** Hyderabad