

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer ("LOF") is sent to you as a shareholder(s) of **Pritika Auto Industries Limited** formerly known as Shivkrupa Machineries and Engineering Services Limited. If you require any clarifications about the action to be taken, you may consult your Stockbroker or Investment Consultant or Manager / Registrar to the Offer. In case you have recently sold your equity shares in the Company, please hand over this LOF and the accompanying Form of Acceptance-cum-Acknowledgement ("FOA") and Transfer Deed to the Member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER ("OFFER")

This Offer is being made pursuant to **Regulation 3(1) and 4** of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**the Takeover Regulations**") for the acquisition of **36,93,820** fully paid-up equity shares of ₹10/- each ("**the Equity Shares**"), representing **27.28%** of the Diluted Share & Voting Capital ("**the Offer Size**") at **₹37.50** (Rupees **Thirty-Seven and Paise Fifty** Only) per fully paid-up equity share ("**the Offer Price**") payable in **Cash**

BY

Pritika Industries Limited ("Acquirer 1")

(Corporate Identification Number ("CIN"): U34300PB1997PLC038216)

Registered Office: Plot No. C-94, Phase-VII, Focal Point Industrial Area, S.A.S. Nagar, Mohali 160 055, Punjab, India.

Tel. No. +91-172-5008900; Email: rcsaini@pratikagroup.com

Mr. Raminder Singh Nibber ("Acquirer 2") and Mr. Harpreet Singh Nibber ("Acquirer 3")

Residence: 1021, Phase IV, SAS Nagar, Mohali 160 059, Punjab, India.

Tel. No. +91-172-5008900; Email: rsnibber@pratikagroup.com; harpreet@pratikagroup.com

Acquirer 1, Acquirer 2 and Acquirer 3 are collectively referred to as "the Acquirers" alongwith the PACs namely

Mrs. Rishi Mangat ("PAC 1"), Mr. Gurkaran Singh Nibber ("PAC 2")

Residence: 1021, Phase IV, SAS Nagar, Mohali 160 059, Punjab, India

Tel. No. +91-172-5008900; Email: harpreet@pratikagroup.com

TO THE EQUITY SHAREHOLDERS OF

Pritika Auto Industries Limited ("the Target Company")

(Name changed w.e.f. March 16, 2017, formerly known as Shivkrupa Machineries and Engineering Services Limited)

(CIN: L45208MH1980PLC022506)



Registered Office: Old Motor Stand, Itwari, Nagpur 440 008, Maharashtra, India. Tel. No. +91-712-2768748/49

Corporate Office: F-24, First Floor, Raghuleela Mega Mall, Behind Painsur Bus Depot, Kandivali (West), Mumbai 400 067, India.

Tel. No. +91-22-6520 2220; Email: shivkrupamachineries@gmail.com; Web: www.shivkrupamachineries.com

ATTENTION

1. This Offer is neither conditional upon any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations nor it is a competing offer in terms of the Regulation 20 of the Takeover Regulations.
2. Save and except the approval of the shareholders of the Target Company as on the date of this LOF, to the best of the knowledge of the Acquirers and the PACs, there are no statutory or other approvals which are required to make this Offer. However, in case of any regulatory or statutory or other approval being required at a later date before the closure of the Tendering Period, the Offer shall be subject to all such approvals and the Acquirers will make the necessary application for such approvals.
3. If there is any upward revision in the Offer Price by the Acquirers upto three working days prior to the commencement of the Tendering Period or in the case of withdrawal of the Offer, the same would be informed by way of Offer Opening Public Announcement / Corrigendum in the same newspapers where the original DPS is appeared. Such revision in the Offer Price would be payable by the Acquirer for all the equity shares validly tendered anytime during the Tendering Period.
4. **There is no competing bid to this Offer.**
5. A copy of Public Announcement, Detailed Public Statement, Draft Letter of Offer, Corrigendum and Letter of Offer (including Form of Acceptance-cum- Acknowledgement) are / will be available on Securities Exchange Board of India ("SEBI") website: www.sebi.gov.in

MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
	Systematix Corporate Services Limited SEBI Registration No. INM 000004224 The Capital, A-Wing, 6 th Floor, No. 603-606, Plot No. C-70, G - Block, Bandra-Kurla Complex (BKC), Bandra (East), Mumbai 400 051, Maharashtra, India. Tel. No: +91-22-6704 8000 Fax No. +91-22-6704 8022 Email: investor@systematixgroup.in Website: www.systematixgroup.in Contact Person: Mr. Amit Kumar		Adroit Corporate Services Private Limited SEBI Registration No. INR000002227 17-20, Jafferbhoy Industrial Estate, First Floor, Makwana Road Marolnaka, Andheri (East), Mumbai 400 059, Maharashtra, India. Tel. No. +91-22-42270400; Fax No. +91-22-28503748 E-mail: sandeeph@adroitcorporate.com Web: www.adroitcorporate.com Contact Person: Mr. Sandeep Holam
OFFER / TENDERING PERIOD ("TP")			
OPENS ON: APRIL 12, 2017 (WEDNESDAY)		CLOSES ON: APRIL 26, 2017 (WEDNESDAY)	

SCHEDULE OF ACTIVITIES

ACTIVITY	DATE (DAY)	REVISED DATE (DAY)
Date of the Public Announcement (PA)	January 25, 2017 (Wednesday)	January 25, 2017 (Wednesday)
Date of the Detailed Public Statement (DPS)	February 2, 2017 (Thursday)	February 2, 2017 (Thursday)
Last date of filing Draft Letter of Offer (DLOF) with SEBI	February 9, 2017 (Thursday)	February 9, 2017 (Thursday)
Last date for a Competitive Bid / Offer	February 23, 2017 (Thursday)	February 23, 2017 (Thursday)
Identified Date*	March 7, 2017 (Tuesday)	March 27, 2017 (Monday)
Corrigendum to PA, DPS and DLOF	Not Applicable	March 27, 2017 (Monday)
Date by which LOF to be posted to the equity shareholders of the Target Company	March 15, 2017 (Wednesday)	April 5, 2017 (Wednesday)
Last date for upward revision of the Offer Price or any increase in the Offer Size	March 17, 2017 (Friday)	April 7, 2017 (Friday)
Last date for public announcement by the Independent Directors committee of the Target Company on the Offer	March 20, 2017 (Monday)	April 10, 2017 (Monday)
Offer Opening Public Announcement (Pre-Offer PA)	March 21, 2017 (Tuesday)	April 11, 2017 (Tuesday)
Date of Opening of the Tendering Period (TP) / Offer	March 22, 2017 (Wednesday)	April 12, 2017 (Wednesday)
Date of Closure of the Tendering Period (TP) / Offer	April 6, 2017 (Thursday)	April 26, 2017 (Wednesday)
Last date for communicating the rejection /acceptance; Completion of payment of consideration or refund to the shareholders	April 13, 2017 (Thursday)	May 4, 2017 (Thursday)
Date of releasing Post-Offer Public Announcement (Post-Offer PA)	April 21, 2017 (Friday)	May 12, 2017 (Friday)
Submission of Final Report by the Manager to the Offer with SEBI	April 28, 2017 (Friday)	May 19, 2017 (Friday)

*IDENTIFIED DATE

Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the LOF would be sent. All the owners (registered or unregistered) of equity shares of Target Company, (except the Acquirers, the PACs and the Seller) anytime before the closure of the TP, are eligible to participate in the Offer.

Note: Duly Signed FOA and Transfer Deed(s) together with Share Certificate(s) in case of physical shares and duly signed FOA and delivery instruction slip in case of dematerialized shares should be dispatched by Registered Post / Courier or hand delivered to **Adroit Corporate Services Private Limited ("Registrar to the Offer")** to arrive not later than 18:00 hours on or before April 28, 2017 i.e. within two days from closure of the TP.

RISK FACTORS

A. RELATING TO THE OFFER

The risk factors set forth below pertaining to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer.

Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

1. The Offer involves an offer to acquire up to 27.28% of the Diluted Share & Voting Capital of Target Company from the Eligible Persons. In the case of oversubscription in the Offer, acceptance would be determined on a proportionate basis as per the Takeover Regulations and hence there is no certainty that all the Equity Shares tendered by the shareholders in the Offer will be accepted.
2. In the event that (a) any statutory and regulatory approvals are not received in a timely manner, (b) there is any litigation leading to a “stay” on the Offer, (c) SEBI instructing the Acquirers not to proceed with the Offer and (d) if the shareholders’ approval is not received then the Offer process may be delayed beyond the schedule of activities indicated in this LOF. Further, in terms of Regulation 23(1)(a) of the Takeover Regulations, the Acquirers may not be able to proceed with the Offer in the event the approvals are not received.
3. In the event the approvals, if any, are received after a delay the payment of consideration to the shareholders of Target Company whose Equity Share(s) have been accepted in the Offer as well as the return of Equity Share(s) not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by SEBI.
4. Shareholders should note that Equity Shares once tendered in the Offer with or without “Form of Acceptance-cum- Acknowledgement” (“FOA”) in the Offer, such shareholders will not be entitled to withdraw such acceptances. The acquisition of Open Offer Shares tendered in the Offer by NRIs and OCBs is subject to receipt of approval from RBI. NRIs and OCBs tendering Equity Shares in the Offer must obtain all requisite approvals required to tender the Equity Shares held by them, in this Offer (including without limitation the approval from RBI, since the Shares validly tendered in this Offer will be acquired by non-resident entities) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (FOA).
5. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer /Buyer’s Broker until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. Accordingly, the Acquirers make no assurance with respect to the market price of the Equity Shares both during the Offer Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any shareholder of the Target Company on whether to participate or not to participate in the Offer.
6. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of this Letter of Offer (“LOF”) resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. The Offer is not directed towards any person or entity in any jurisdiction or country where the Offer would be contrary to the applicable laws or regulations or would subject the Acquirers, the PACs or the Manager to the Offer to any new or additional registration requirements.
7. The Public Shareholders are advised to consult their respective legal and tax advisors for assessing the tax liability pursuant to the Offer, or in respect of other aspects, such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers and the PACs do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
8. On full acceptances of Open Offer Shares, this Offer will breach minimum public shareholding (“MPS”) as determined in accordance with Securities Contract (Regulations) Rules, 1957 (“SCRR”), on a continuous basis for listing. If the public shareholding in the Target Company falls below the MPS, Acquirer 1 shall reduce their respective shareholding in the Target Company in proportion to the Equity Shares acquired by Acquirer 1 in the Offer, in the manner as set out in Regulation 7(4) of the Takeover Regulations and, within the time period specified in the SCRR, such that the Target Company complies with the MPS requirement. Any failure to

comply with the conditions of the SCRR and the SEBI (LODR) Regulations (“**the Listing Regulations**”) could have an adverse effect on the price and tradability of the Equity Shares.

B. IN ASSOCIATION WITH THE ACQUIRERS

1. The Acquirers make no assurance with respect to the financial performance of the Target Company. The Acquirers also make no assurance with respect to the market price of the equity shares upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
2. The Acquirers do not accept any responsibility for statements made otherwise than in the LOF / Detailed Public Statement (DPS) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its / their own risk.

C. RISK IN THE TRANSACTION

The Offer contains a clause that it is subject to the provisions of the Takeover Regulations and in case of non-compliance with any of the provisions of the Takeover Regulations; the Acquirers shall not act upon the acquisition of Equity Shares under the Offer.

CURRENCY OF PRESENTATION

In this LOF, all references to “Rs.”/“₹” are to the reference of Indian National Rupee(s) (“**INR**”). Throughout this LOF, all figures have been expressed in “Lakh” unless otherwise specifically stated. In this LOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and / or regrouping.

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ABBREVIATIONS / DEFINITIONS

The following abbreviations / definitions apply throughout this document, unless the context requires otherwise:

PARTICULARS	DETAILS / DEFINITIONS
Acceptance Date	The date on which bids /Equity Shares tendered in the Offer shall be accepted post verification
Acquirer 1	Pritika Industries Limited
Acquirer 2	Mr. Raminder Singh Nibber
Acquirer 3	Mr. Harpreet Singh Nibber
Acquirers	Collectively, Acquirer 1, Acquirer 2 and Acquirer 3
AOA	Articles of Association
BSE	BSE Limited, formerly known as Bombay Stock Exchange Limited
Buying Broker	Systematix Shares & Stocks (India) Ltd
Cash Escrow Account	Opened for the purpose for keeping minimum escrow requirements
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act	The Companies Act, 1956 or The Companies Act, 2013 as amended or modified from time to time
Commencement of TP	April 12, 2017 i.e. Offer Opening Date
Corrigendum	A public announcement released on March 27, 2017 in continuation with PA, DPS and DLOF w.r.t. Open Offer in compliance with SEBI Observations Letter dated March 23, 2017
Closure of the TP	April 26, 2017 i.e. Offer Closing Date
CSE	Calcutta Stock Exchange Limited
Demat Holders	Shareholders of the Target Company who are holding their Equity Shares in dematerialized form
DIN	Director Identification Number
DLOF	Draft Letter of Offer dated February 7, 2017
DP	Depository Participant
DP Escrow Account	SMESL-Open Offer Account-Operated by Adroit Corporate Services Pvt. Ltd.
DP Escrow Agreement	Account is opened vide Agreement dated January 25, 2017 between the Acquirers, the Registrar to the Offer, the DP Systematix Shares and Stocks (I) Ltd. and the Manager to the Open Offer for keeping Equity Shares if issued & allotted during the Offer Period by the Target Company
DPS	Detailed Public Statement relating to the Offer published on February 2, 2017
Eligible Persons	All the Shareholders of the Target Company (registered and unregistered) who own the Equity Shares at any time prior to the closure of the TP except the Acquirers, the PACs and the Seller
Escrow Agreement	Escrow Agreement dated January 25, 2017 between the Acquirers, the Escrow Bank and Manager to the Offer
EPS	Earnings Per Share = Profit after Tax / Total no. of outstanding equity shares
Equity Share(s)	Fully Paid-up Equity Share(s) of Rs. 10 each of the Target Company unless it is specified
Escrow Bank	Indusind Bank Ltd, Branch: Premises No. 61, Sonawala Building, Fort, Mumbai 400 001.
Diluted Share & Voting Capital	The total voting equity share capital of the Target Company consisting of 1,35,42,000 Equity Shares of ₹10 each on a fully diluted basis as of the tenth (10 th) working day from the closure of the Tendering Period of the Offer.
FCDs	Fully Convertible Debentures
FEMA	Foreign Exchange Management Act, 1999
FIIs	Foreign Institutional Investors
Form of Acceptance / FOA	The application-cum-acknowledgement form which is enclosed with this LOF for accepting the Offer
FY	Financial Year
GIR	General Index Register
ICAI	Institute of Chartered Accountants of India
Identified Date	March 27, 2017; the date for the purpose of determining the names of the shareholders to whom the LOF would be sent
Income Tax Act / I.T.	Income Tax Act, 1961
IFSC	Indian Financial System Code
ISIN	International Securities Identification Number

Letter of Offer / LOF	Letter of Offer dated March 31, 2017
Listing Agreement	Listing Agreement with the stock exchanges in India, as amended from time to time
Listing Regulations	SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended
LLP	Limited Liability Partnership
Manager to the Offer	Systematix Corporate Services Limited
MICR	Magnetic Ink Character Recognition
MOA	Memorandum of Association
NEFT	National Electronic Fund Transfer
MPS	Minimum Public Shareholding as defined in SCRR; which is 25% in case of the Target Company
Negotiated Price	₹20/- (Rupees Twenty only) per fully paid-up equity share of face value of ₹10/- each of the Target Company between Acquirer 3 and the Seller
NRI(s)	Non-Resident Indian(s) and persons of Indian origin residing abroad
No.	Number
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies
Offer / Open Offer	Cash Offer for the acquisition of equity shares constituting fully diluted 27.28% of the share capital as of tenth working day from the closure of the tendering period from the shareholders of the Target Company by the Acquirers
Offer Period	Period between the date of entering into an agreement, formal or informal, to acquire equity shares, voting rights in, or control over a Target Company requiring a PA, or the date of the PA, as the case may be and the date on which the payment of consideration to shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be
Offer Price	₹37.50/- (Rupees Thirty-Seven and Paise Fifty only) for each fully paid-up equity share payable in cash to the shareholders of the Target Company
Offer Size / Open Offer Equity Shares	36,93,820 Equity Shares of the face value of ₹10/- each representing 27.28% of the Diluted Share & Voting Capital of Target Company as of the tenth working day from the closure of the Tendering Period
PACs / Persons Acting in Concert	Persons who, with a common objective or purpose of acquisition of equity shares or voting rights in, or exercising control over a Target Company
PACs	Persons Acting in Concert namely Mrs. Rishi Mangat ("PAC 1") and Mr. Gurkaran Singh Nibber ("PAC 2")
PAN	Permanent Account Number
PCDs	Partly Convertible Debentures
Physical Holders	Shareholders of the Target Company who are holding Equity Shares in physical form
POA / Power of Attorney	Power of Attorney dated January 24, 2017 by Acquirer 1, Acquirer 2 and the PACs to appoint Acquirer 3 as their Constituted Attorney in relation to the proposed Offer
Public Announcement / PA	First announcement of the Offer made on behalf of the Acquirers and the PACs to BSE and CSE on January 25, 2017 and subsequently to SEBI and Target Company on the next date
Preferential Issue / Proposed Preferential Issue	The preferential allotment as approved by the Board of Directors of the Target Company at their meeting held on January 25, 2017 and subsequent approval of the members on February 22, 2017 and other regulatory approvals for allotment of 88,49,500 fully paid up Equity Shares of face value of ₹10 each at premium of ₹27.40 per Equity Share for Cash and Other than Cash to the Shareholders of the Selling Companies, Acquirer 2, Acquirer 3 and Others. The preferential allotment to the shareholders of the Selling Companies and Others was completed on March 15, 2017.
Pre-Issue Share Capital	Paid up Equity Share Capital of the Target Company prior to the proposed Preferential Issue i.e.; ₹4,69,25,000 divided into 46,92,500 Equity Shares of ₹10 each
Promoter / Promoter Group	Promoter or members of Promoter Group of the Target Company unless it is specified
RBI	Reserve Bank of India
Registrar to the Offer	Adroit Corporate Services Private Limited, Mumbai
Relevant Date	January 23, 2017 i.e. 30 days prior to the shareholders' approval for pref. issue which is due for approval at Extra-Ordinary General Meeting (EOGM) on February 22, 2017
ROC	Registrar of Companies

Rs. / Rupee(s) / INR / ₹	Indian Rupees, the legal currency of India
RTGS	Real Time Gross Settlement
Sale Shares	83,200 Equity Shares held by the Promoter of the Target Company under the SPA
SCRR	Securities Contract (Regulations) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended or modified from time to time
SEBI (SAST) Regulations, 2011 / Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 and subsequent amendments thereto
Seller or Promoter of Target Company	Mr. Harish Gangaram Agrawal
Selling Company 1	Pritika Autocast Limited
Selling Company 2	Nibber Castings Private Limited
Selling Companies	Collectively, Selling Company 1 and Selling Company 2
Settlement Date	The date on which bids/Equity Shares accepted in the Offer shall be squared-off
Share Sale & Subscription Agreement 1 or SSSA 1	Agreement dated January 25, 2017 between Selling Company 1 and the Target Company, whereby the Target Company will issue 51,83,604 Equity Shares of ₹10 each fully paid of Target Company to the existing shareholders of Selling Company 1 for acquiring 1,20,26,475 equity shares of ₹10 each fully paid held by these shareholders in Selling Company 1 based on the valuation report dated January 24, 2017 submitted by the Valuer
Share Sale & Subscription Agreement 2 or SSSA 2	Agreement dated January 25, 2017 between Selling Company 2 and the Target Company, whereby the Target Company will issue 23,22,861 Equity Shares of ₹10 each fully paid of Target Company to the existing shareholders of Selling Company 2 for acquiring 25,00,000 equity shares of ₹10 each fully paid held by these shareholders in Selling Company 2, based on the valuation report dated January 24, 2017 submitted by the Valuer
Shareholders/Equity Shareholders	Shareholders of the Target Company except the Acquirers, the PACs and the Seller unless it is specified
Sl. No.	Serial Number
SPA / the Agreement	Share Purchase Agreement dated January 25, 2017 between Acquirer 3 and the Seller
Special Account	Opened for the purpose of making payment to the Buying Broker
SSSAs	Collectively, SSSA 1 and SSSA 2
Stock Exchanges	Collectively, CSE and BSE
STT	Securities Transaction Tax
Target Company / Shivkrupa	Pritika Auto Industries Limited / Shivkrupa Machineries and Engineering Services Limited
Takeover Regulations	SEBI (SAST) Regulations, 2011 as amended till date
Tendering Period / TP	Period of 10 working days within which Shareholders of Target Company may tender their equity shares in acceptance to the Offer
TDS	Tax Deduction at Source
TRC	Tax Residence Certificate
TRS	Transaction Registration Slip
Valuer	Navigant Corporate Advisors Limited (Category I Merchant Banker registered with SEBI) having their office at 423, A Wing, Bonanza Sahar Plaza Complex, JB Nagar, Andheri-Kurla Road, Andheri (East), Mumbai 400 059, Maharashtra. Tel. No. +91-22-65654402 / 6560 5550, Email: navigant@navigantcorp.com ; Web: www.navigantcorp.com .
Working Day(s)	Working days of SEBI

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1. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DLOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DLOF 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 TAKEOVER REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SHIVKRUPA MACHINERIES AND ENGINEERING SERVICES 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 TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DLOF. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DLOF, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, SYSTEMATIX CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 7, 2017 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DLOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

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2. DETAILS OF THE OFFER

2.1. BACKGROUND OF THE OFFER

2.1.1. This Offer is a “Mandatory Offer” under the Regulation 3(1) and 4 of the Takeover Regulations being made jointly by the Acquirers & the PACs to the equity shareholders of the Target Company for substantial acquisition of Equity Shares and voting rights accompanied with change in control of the Target Company.

2.1.2. a) The Board of Directors of the Target Company in their meeting held on January 25, 2017, has, agreed to acquire under a Share Sale & Subscription Agreement 1 dated January 25, 2017 (“**SSSA 1**”) the entire issued, subscribed and paid up share capital purchase of Pritika Autocast Limited (“**Selling Company 1**”) from the Acquirers, the PACs and Others, being the existing shareholders of Selling Company 1 and in this connection, has subject to the approval of the shareholders of the Target Company and other regulatory approvals, as applicable, agreed to issue and allot, on a preferential basis, 51,83,604 fully paid up equity shares of face value of ₹10 each (the “**Equity Shares**”) of the Target Company at a price of ₹37.40/- per Equity Shares aggregating to ₹1938.67 Lakh representing 38.28% of the Diluted Share & Voting Capital of the Target Company to the said existing shareholders of Selling Company 1, based on the valuation report dated January 24, 2017 submitted by the Valuer i.e.; M/s Navigant Corporate Advisors Limited (Category I Merchant Banker registered with SEBI).

b) The Board of Directors of the Target Company in the same meeting held on January 25, 2017, has also agreed to acquire under a Share Sale & Subscription Agreement 2 dated January 25, 2017 (“**SSSA 2**”) the entire issued, subscribed and paid up share capital purchase of Nibber Castings Private Limited (“**Selling Company 2**”) from the Acquirers, the PACs and Others, also being the existing shareholders of Selling Company 2 and in this connection, has subject to the approval of the shareholders of the Target Company and other regulatory approvals, as applicable, agreed to issue and allot, on a preferential basis, 23,22,861 Equity Shares of the Target Company at a price of ₹37.40/- per Equity Shares aggregating to ₹868.75 Lakh representing 17.15% of the Diluted Share & Voting Capital of the Target Company to the said existing shareholders of Selling Company 2, based on the valuation report dated January 24, 2017 submitted by the Valuer i.e.; M/s Navigant Corporate Advisors Limited (Category I Merchant Banker registered with SEBI).

c) Further, the Board of Directors of the Target Company in the same meeting held on January 25, 2017, has also subject to the approval of the shareholders of the Target Company and other regulatory approvals, as applicable, agreed to issue and allot, on a preferential basis 20,08,035 Equity Shares of the Target Company at a price of ₹37.40/- per Equity Shares aggregating to ₹751.01 Lakh on preferential basis to Acquirer 2, Acquirer 3 and Others for “Cash”.

“**SSSA 1**” and “**SSSA 2**” are jointly referred to as “**the SSSAs**”.

2.1.3. This Offer is made by the Acquirers along with the PACs due to:

- i. the proposed preferential issue of 77,19,931 Equity Shares of face value of ₹10 each of the Target Company at a price of ₹37.40/- per Equity Shares, representing 57.01% of the Diluted Share & Voting Capital of the Target Company, to the Acquirers and the PACs (inclusive of Ms. Pavit Nibber’s Shareholding), towards the purchase consideration paid by the Target Company for acquiring the Selling Companies; and
- ii. the execution of the Share Purchase Agreement dated January 25, 2017 (the “**SPA**”) entered into between Acquirer 3 and Mr. Harish Gangaram Agarwal (the “**Seller**”) for acquiring 83,200 Equity Shares (the “**Sale Shares**”) of ₹10/- each at a price of ₹20/- per Equity Share (the “**Negotiated Price**”) aggregating to ₹16.64 Lakh representing 0.61% of the Diluted Share & Voting Capital of the Target Company. The Seller is a member of the Promoter Group of the Target Company.

2.1.4. Pursuant to the shareholders’ approval on February 22, 2017 and receipt of in-principle approval dated March 2, 2017 from BSE, the Board of Directors of the Target Company in their meeting held on March 15, 2017, has allotted 88,49,500 (as against the proposed 95,14,500 Equity Shares) fully paid-up Equity Shares of

Rs. 10 each at a price of Rs. 37.40/- each aggregating to Rs. 3,309.71 Lakh to Acquirers, the PACs and Others. A total of 6,65,000 Equity Shares which were proposed to be allotted against cash to certain individuals classified as "Others" and categorised under the public category has remained unsubscribed and have not been allotted to any individual / entity by the Target Company.

2.1.5. Consequent to the short fall in the subscription of the Preferential Issue, the Diluted Share & Voting Capital of the Target Company now stands downward revised to 1,35,42,000 Equity Shares as against the proposed 1,42,07,000 Equity Shares stated in the DLOF. Accordingly, in this LOF the percentage of Equity Shares, where applicable, has been calculated on the revised Diluted Share & Voting Capital of the Target Company i.e.; 1,35,42,000 Equity Shares and the reference to Diluted Share & Voting Capital of the Target Company, where applicable, shall be read as the revised Diluted Share & Voting Capital of the Target Company.

2.1.6. The table below details the break-up of allotment of Equity Shares of made on a preferential basis to the Acquirers, the PACs and Others:

Name of proposed allottees	No. of Equity Shares to be allotted of TC under preferential issue to the shareholders of Selling Company 1 under SSSA 1	No. of Equity Shares to be allotted of TC under preferential issue to the shareholders of Selling Company 2 under SSSA 2	No. of Equity Shares to be allotted of TC under preferential issue for "Cash"	Total Number of Equity Shares held in TC post Pref. Issue	% of Total Number of Equity Shares on Diluted Share & Voting Capital
	A	B	C	D = A+B+C	E = % of D
Acquirer 1	35,00,928	10,59,225	NIL	45,60,153	33.67%
Acquirer 2	5,18,693	3,92,489	1,50,000	10,61,182	7.84%
Acquirer 3	11,16,826*	4,80,572	2,05,000	18,02,398	13.31%
I. Total (Acquirers)	51,36,447	19,32,286	3,55,000	74,23,733	54.82%
PAC 1	NIL	65,040	NIL	65,040	0.48%
PAC 2	45,041	1,86,117	NIL	2,31,158	1.71%
II. Total (PACs)	45,041	2,51,157	NIL	2,96,198	2.19%
III. Other Shareholders of the Selling Companies	2,116	1,39,418	1,00,000	2,41,534	1.78%
IV. Others[§]	NIL	NIL	8,88,035[@]	8,88,035	6.56%
Grand Total (I+II+III+IV)	51,83,604**	23,22,861***	13,43,035**	88,49,500	65.35%

Notes:

*Ms. Pavit Nibber's, being a minor, her entire shareholding i.e.; 45,664 Equity Shares has been added to the shareholding of Acquirer 3 (being the natural guardian of the minor).

** Allotment on a preferential basis for acquiring the existing shareholding of Selling Company 1 under SSSA 1.

*** Allotment on a preferential basis for acquiring the existing shareholding of Selling Company 2 under SSSA 2.

**** Allotment on a preferential basis for "Cash".

@ Represents the actual number of Equity Shares allotted after giving effect to the shortfall in subscription

§ Refers to the following category of shareholders:

- Not related to the Acquirers and the PACs of the proposed Offer or forming part of the promoter group of the Selling Companies;
- Not related to the Promoters and not forming part of the promoter group of the Target Company; and
- Who are not involved in the day to day management of the Target Company and/or the Selling Companies

- 2.1.7. Post completion of the Offer, the Target Company proposes to make both the Selling Company 1 and Selling Company 2 (jointly referred to as the “**Selling Companies**”) its wholly owned subsidiaries and subsequently the Acquirers and the PACs will have substantial stake including control of the Target Company.
- 2.1.8. By virtue of the above proposed acquisitions, the Acquirers alongwith the PACs 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(2A)(i) and other applicable provisions of the Takeover Regulations.
- 2.1.9. The Equity Shares allotted under the Preferential Issue, if credited to respective DP accounts of the Acquirers and the PACs, during the Offer Period, shall be kept in a separate ‘**DP Escrow Account**’ in compliance with Regulation 22(2A) of the Takeover Regulations. The Registrar to the Offer will have the right to operate the DP Escrow Account and the Acquirers and the PACs will not exercise any voting rights over the said Equity Shares kept in the DP Escrow Account. Upon fulfilment of all the Offer related formalities, the said Equity Shares will be transferred to the respective DP accounts of the Acquirers and the PACs and the DP Escrow Account will be closed thereafter.
- 2.1.10. The details of Demat Escrow Account opened pursuant to DP Escrow Agreement dated January 25, 2017 are as follow:

Name of the DP Escrow Account	SMESL-Open Offer Account-Operated by Adroit Corporate Services Pvt. Ltd.
Depository Name	CDSL
Depository Participant (DP) Name	Systematix Shares & Stocks (I) Ltd.
Depository Participant ID	12034600
Client ID	00463520

- 2.1.11. For acquiring the Sale Shares, Acquirer 3 has at the time of entering into the SPA made a down payment of ₹4.16 Lakh, being 25% of the total consideration for the Sale Shares. The balance consideration of ₹12.48 Lakh for acquiring the Sale Shares is agreed to be paid by Acquirer 3 after the completion of the Offer Period in accordance with the Takeover Regulations. The Sale Shares shall be transferred to the Acquirer 3 DP Account post completion of the Offer Period.
- 2.1.12. The list of Persons Acting in Concert (“**PACs**”) with the Acquirers within the meaning of Regulation 2(1)(q)(1) of the Takeover Regulations in relation to this Offer is disclosed at para 3.4 on page 20 of the LOF.

2.1.13. Salient features of the SSSA 1 are as follow:

- The Sellers [Shareholders] hold the entire issued, subscribed and paid up share capital of the Selling Company 1 and the Sellers are the legal and beneficial owners of equity shares of the Selling Company 1.
- The Purchaser [Shivkrupa] have agreed to purchase the entire shareholding of the Selling Company 1 from the Sellers and the Sellers have agreed to sell their Shares to the Purchaser in the manner and on the terms and conditions contained in this Agreement;
- The Board of Directors and Members of the Selling Company 1 have accorded the sale of entire shareholding of the Selling Company 1 to the Purchaser vide resolutions dated 24th January, 2017 and 24th January, 2017 respectively.
- The Valuer vide its report dated 24th January, 2017 has ascertained the fair value of the equity shares of the Selling Company 1 at Rs. 16.12/- per share. The Valuer has arrived at the fair valuation of the shares of the Selling Company 1 based on the last audited financials as at 30th September, 2016.
- In consideration for acquisition of the Sale Shares at the Fair Market Valuation, the Purchaser has agreed to issue its shares [Shivkrupa Shares] on preferential allotment basis, and the Seller has agreed to subscribe to

those Equity Shares of the Purchaser (the **Seller Subscription Shares**) in accordance with the terms and conditions set out in the Agreement.

- vi. The Purchaser will allot 51,83,604 fully paid-up equity shares of Shivkrupa Machineries and Engineering Services Limited to the shareholders of the Selling Company 1 in compliance with SEBI (ICDR) Regulations, 2009 as amended. The differential amount has been rounded-off.
- vii. The Parties acknowledge that prior to acquisition of the entire shareholding and the Seller Subscription Shares, the Sellers are required to make a public announcement to the public shareholders of the Purchaser (Shivkrupa) to acquire up to 26% (read as 27.28%) of the total expanded issued and paid up share capital of the Purchaser in accordance with the provisions of the Takeover Regulations. The Selling Company 1 on behalf of the shareholders who belongs to promoter group of the Company has agreed to comply with the provisions of the Takeover Regulations.

2.1.14. Salient features of the SSSA 2 are as follow:

- i. The Sellers [Shareholders] hold the entire issued, subscribed and paid up share capital of the Selling Company 2 and the Sellers are the legal and beneficial owners of equity shares of the Selling Company 2.
- ii. The Purchaser [Shivkrupa] have agreed to purchase the entire shareholding of the Selling Company 2 from the Sellers and the Sellers have agreed to sell their Shares to the Purchaser in the manner and on the terms and conditions contained in this Agreement;
- iii. The Board of Directors and Members of the Selling Company 2 have accorded the sale of entire shareholding of the Selling Company 2 to the Purchaser vide resolutions dated 24th January, 2017 and 24th January, 2017 respectively.
- iv. The Valuer vide its report dated 24th January, 2017 has ascertained the fair value of the equity shares of the Selling Company 2 at Rs. 34.75/- per share. The Valuer has arrived at the fair valuation of the shares of the Selling Company 2 based on the last audited financials as at 9th January, 2017.
- v. In consideration for acquisition of the entire shareholding at the Fair Market Valuation, the Purchaser has agreed to issue its shares [Shivkrupa Shares] on preferential allotment basis, and the Sellers have agreed to subscribe to those Equity Shares of the Purchaser (the **Seller Subscription Shares**) in accordance with the terms and conditions set out in the Agreement.
- vi. The Purchaser will allot 23,22,861 fully paid-up equity shares of Shivkrupa Machineries and Engineering Services Limited to the shareholders of the Selling Company 2 in compliance with SEBI (ICDR) Regulations, 2009 as amended. The differential amount has been rounded-off.
- vii. The Parties acknowledge that prior to acquisition of the entire shareholding and the Seller Subscription Shares, the Sellers are required to make a public announcement to the public shareholders of the Purchaser (Shivkrupa) to acquire up to 26% (read as 27.28%) of the total expanded issued and paid up share capital of the Purchaser in accordance with the provisions of the Takeover Regulations. The Selling Company 2 on behalf of the shareholders who belongs to promoter group of the Company has agreed to comply with the provisions of the Takeover Regulations.

2.1.15. Details of the parties to the SPA are as follow:

Name of the Acquirer	Name and address of the Seller / Promoter or Promoter Group of the Target Company	Details of equity shares / voting rights held by the Selling Shareholders prior to the SPA (underlying transaction)	
		Number of Equity Shares	% of Diluted Share & Voting Capital*
Mr. Harpreet Singh	Mr. Harish Gangaram Agrawal	83,200	0.61%

Nibber (Acquirer 3)	287, Wardhman Nagar, CA Road, Nagpur 440 008, Maharashtra		
	Total	83,200	0.61%

Note: After the underlying transaction in terms of the SPA, the Seller's holding in the Target Company would become zero.

2.1.16. Salient features of the SPA are as follow:

- i. The Seller agreed to sell 83,200 fully paid Equity Shares of ₹10/- each at a price of ₹20/- (Rupees Twenty only) per fully paid-up Equity Share of the Target Company to Acquirer 3. The consideration is paid by the Acquirer to the Seller per fully paid-up Equity Share is the **"Negotiated Price"** between Acquirer 3 and the Seller.
 - ii. Apart from the total consideration of ₹16,64,000 for the Sale Shares, no separate fees, payment, premium such as non-competing fee etc. shall be paid by Acquirer 3 to the Seller for acquisition of the Sale Shares and management control of the Target Company.
 - iii. Acquirer 3 has paid a sum of ₹4.16 Lakh (Rupees Four Lakh Sixteen Thousand only) being 25% of the total consideration for the Sale Shares on the date of the SPA to the Seller as a token amount and balance amount will be paid on successful completion of the Open Offer in accordance with the Takeover Regulations.
 - iv. Acquirer 3 and the Seller recognise that the sale of Sale Shares is the subject matter of the Takeover Regulations and accordingly the Seller will transfer the Sale Shares only after due compliance with the Takeover Regulations by Acquirer 3.
 - v. Acquirer 3 and the Seller agree that in the event of non-compliance of any of the provisions of the Takeover Regulations pursuant to the execution of the Agreement, this Agreement shall not be acted upon by any of them.
 - vi. The Sale Shares held by the Seller are in dematerialised form and are free from any lien, claim, pledge, charge, mortgage and encumbrance as on the date of the Agreement. The Sale Shares shall be transferred to Acquirer 3 post completion of Offer Period.
- 2.1.17. This Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 2.1.18. As on date of the LOF, the Acquirers and the PACs do not hold any Equity Shares of the Target Company.
- 2.1.19. The Acquirers and the PACs do not have any interest and/or relationship with the Target Company prior to entering the SSSA 1 and/or SSSA 2 and/or SPA and the proposed Preferential Issue.
- 2.1.20. Save and except, the Sale Shares and the proposed shareholding to be acquired by the Acquirers in the Target Company pursuant to the Preferential Issue, as of the date of this LOF, neither the Acquirers nor any of its directors and / nor its key managerial personnel, where applicable, and the PACs have any interest in the Target Company,.
- 2.1.21. The PA was emailed to BSE and CSE, on January 25, 2017 in compliance with Regulation 13(1) of the Takeover Regulations on behalf of the Acquirers and the PACs by Manager to the Offer. The PA was also submitted with BSE, SEBI and the Target Company on January 27, 2017 in compliance with the Regulation 14(2) of the Takeover Regulations.
- 2.1.22. The Offer Price of ₹37.50/- per Equity Share of the Target Company is payable in "Cash" in accordance with Regulation 9(1)(a) of the Takeover Regulations.
- 2.1.23. The Acquirers, the PACs and the Seller have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

- 2.1.24. The Equity Shares tendered in this Offer will be acquired solely by Acquirer 1 and to this effect the Acquirers and the PACs have entered into a Memorandum of Understanding (“MOU”) dated January 24, 2017 agreeing amongst themselves that the Equity Shares tendered in the Offer will be acquired solely by Acquirer 1. Further Acquirer 2, Acquirer 3 and the PACs have undertaken that they do not intend to acquire any Open Offer Shares.
- 2.1.25. The Acquirers intend to reconstitute the Board of Directors of the Target Company subsequent to the completion of this Offer in accordance with the Takeover Regulations, by appointing either Acquirer 2 and/or Acquirer 3 and/or persons nominated by the Acquirers as additional director/s on the board of the Target Company. However, no firm decision in this regard has been taken or proposed so far.
- 2.1.26. As per Regulation 26(6) of the Takeover Regulations, the Board of Directors of the Target Company has constituted a Committee of Independent Directors (IDC) on February 8, 2017 to provide their written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations will be published at least two working days before the commencement of the TP in the same newspapers where the DPS related to the Offer was published in compliance with Regulation 26(7) of the Takeover Regulations.

2.2. DETAILS OF THE PROPOSED OFFER

- 2.2.1. Manager to the Offer on behalf of the Acquirers and the PACs have released the DPS on February 2, 2017 and Corrigendum on March 27, 2017 which appeared in the following newspapers:

Sl. No.	Newspapers	Language	Editions
1.	The Financial Express	English	All Editions
2.	Jansatta	Hindi	All Editions
3.	Apla Mahanagar ^S	Marathi	Mumbai Edition
4.	Mahasagar [#]	Marathi	Nagpur Edition

\$-Where Equity Shares are most frequently traded; #-Where Regd. Office of the Target Company is situated

Note: A copy of the PA, the DPS and Corrigendum are also available on the SEBI’s website: www.sebi.gov.in

- 2.2.2. The Acquirers and the PACs have made the Offer in accordance with the Regulation 3(1) and 4 of the Takeover Regulations vide the PA dated January 25, 2017 to all the Shareholders of the Target Company for the acquisition of 36,93,820 (Thirty-Six Lakh Ninety-Three Thousand Eight Hundred and Twenty only) fully paid-up Equity Shares (“Open Offer Shares”) of the face value of ₹10/- each representing 27.28% of the Diluted Share & Voting Capital of the Target Company at the Offer Price of ₹37.50/- (Rupees Thirty-Seven and Paise Fifty only) per fully paid-up Equity Share payable in “Cash” and subject to the terms and conditions set out in the DPS and this LOF.
- 2.2.3. The Offer is being made to all the Shareholders of the Target Company except the Acquirers, the PACs and the Seller. The Equity Shares of the Target Company under the Offer will be acquired by Acquirer 1 as fully paid-up, free from any lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 2.2.4. The Offer is neither conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the Takeover Regulations nor it is a competing offer in terms of Regulation 20 of the Takeover Regulations. Further, no competing offer has been made from the date of the PA till the date of this LOF. Also, there is no differential pricing in this Offer as all the Equity Shares of the Target Company are fully paid-up.
- 2.2.5. The Acquirers and the PACs have not acquired any Equity Shares of Target Company after the date of PA till the date of this LOF. Further, the Acquirers and the PACs undertake that if they acquire any Equity Shares in the Target Company during the Offer Period, they will inform the BSE, CSE and the Target Company within 24 hours of such acquisitions.
- 2.2.6. The Offer (assuming full acceptance to the Offer Size) will result in the minimum public shareholding (MPS) to fall below 25% of its Diluted Share & Voting Capital of the Target Company in terms of Regulation 38 of the Listing Regulations read with Rule 19A(1) of the Securities Contracts (Regulations) Rules, 1957. If the

minimum public shareholding falls below 25% of the Diluted Share & Voting Capital, the Acquirer 1 will comply with the provisions of Regulation 7(4) of the Takeover Regulations to maintain the MPS in accordance with the SCRR and the Listing Regulations.

2.3. OBJECT OF THE ACQUISITION / OFFER

- 2.3.1. The Acquirers shall achieve substantial acquisition of Equity Shares and voting capital, accompanied with effective management control over the Target Company after completion of the proposed preferential issue, acquisition of the Sale Shares and the Open Offer.
- 2.3.2. The main object of this acquisition is to acquire complete management control of the Target Company. The Acquirers are in the similar line of business as that of the Target Company and by virtue of acquiring substantial stake and also the management control of the Target Company, the Acquirers intend to integrate their businesses with that of the Target Company thereby gaining an advantage of seeking forward business integration while additionally getting a ready listing platform.
- 2.3.3. 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 the 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.
- 2.3.4. The Acquirers intend to seek the change of the name and main objects of the Target Company subject to necessary approvals. The Acquirers intend to shift the Registered Office of the Target Company from the State of Maharashtra to the State of Punjab. The Acquirers also intend to delist Equity Shares of the Target Company from CSE.
- 2.3.5. The Acquirers also intend to seek reconstitution of Board of Directors of the Target Company after successful completion of this Offer. However, no firm decision in this regard has been taken or proposed so far.
- 2.3.6. In terms of Regulation 25(2) of the Takeover Regulations, the Acquirers do not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of Target Company in the succeeding two years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by Target Company. Notwithstanding anything contained herein and except with the prior approval of the shareholders of Target Company through a special resolution, passed by way of postal ballot, the Acquirers undertake that it will not restructure, sell, lease, dispose of or otherwise encumber any substantial assets of Target Company other than in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by Target Company.

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3. BACKGROUND OF THE ACQUIRERS AND THE PACs

3.1. Pritika Industries Limited (“Acquirer 1”)

- 3.1.1. Acquirer 1 was incorporated as a private limited company named “Pritika Industries Private Limited” on July 1, 1997 under the Companies Act, 1956 (No. 1 of 1956) in Delhi and received the ‘Certificate of Incorporation’ bearing number 55-88273 from the Registrar of Companies (“ROC”), NCT of Delhi and Haryana. The name of Acquirer 1 was changed to the present one w.e.f. June 12, 2012, consequent upon conversion of the company from private to public. Further w.e.f. December 26, 2013 its registered office was shifted from the jurisdiction of ROC Delhi to ROC Punjab & Chandigarh and accordingly a new CIN U34300PB1997PLC038216 was been allotted.
- 3.1.2. The Registered Office of Acquirer 1 is situated at Plot No. C-94, Phase VII, Focal Point Industrial Area, SAS Nagar, Mohali 160 055, Punjab, India. Tel. No. +91-172-5008900/01; Email: [rcsaini@pritikagroup.com](mailto:rcsaini@pratikagroup.com); Web: www.pritikagroup.com
- 3.1.3. The main objects of Acquirer 1 as per its Memorandum of Association (“MOA”) are to carry on the business of manufacturing, buying selling, exchange, altering, improving, assembling, or distributing and dealing in Tractor parts, Machine tools and Machine tools accessories and allied products of automobiles industry for use as original equipment or otherwise.
- 3.1.4. Acquirer 1 has two manufacturing units one located at the registered office address and the other at Village Bathri, Teh. Haroli, Tahliwala-Garshankar Road, Dist. Una – 174 301, Himachal Pradesh.
- 3.1.5. Acquirer 1 belongs to Pritika Group of Industries. Acquirer 1 is jointly promoted by Acquirer 2 i.e.; Mr. Raminder Singh Nibber and Acquirer 3 i.e.; Mr. Harpreet Singh Nibber. The shareholding pattern of Acquirer 1 as on date of LOF is tabled below:

Name of the Person / Entity	No. of equity shares held	% of the total share capital
I. Promoter Group		
Mr. Raminder Singh Nibber / Acquirer 2	41,21,334	41.99%
Mr. Harpreet Singh Nibber / Acquirer 3	55,01,136	56.05%
Mr. Gurkaran Singh Nibber / PAC 2	1,88,875	1.92%
Ms. Pavit Nibber (Minor)	1,395	0.01%
II. Public Category		
Mr. Ramesh Chander Saini	1,475	0.01%
Mr. Ajay Kumar	1,375	0.01%
Mr. Gaganpreet Singh	3,00	0.00%
Mr. Avtar Singh	10	0.00%
Total (I + II)	98,15,900	100%

- 3.1.6. The details of the board of directors of Acquirer 1 as on date of LOF is tabled below:

Sl. No.	Name	Directorship	DIN	Experience	Date of Appointment in Target Company
1.	Mr. Raminder Singh Nibber	Managing Director	00239117	More than 50 years in Operations, Marketing and Administration	July 1, 1997
2.	Mr. Harpreet Singh Nibber	Director	00239042	More than 20 years in Operations, Marketing and Administration	July 1, 1997
3.	Mr. Ramesh Chander Saini	Director	02830867	More than 45 years in Finance, Accounts and Taxation	January 15, 2010

4.	Mr. Ajay Kumar	Director	02929113	More than 20 years in manufacturing of automotive / tractor components	August 14, 2012
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- 3.1.7. There has been no merger, demerger or spin-off during the last three years involving Acquirer 1. Acquirer 1 does not have any holding company. Pritika Autocast Limited i.e. Selling Company 1 is the subsidiary of Acquirer 1.
- 3.1.8. The subsidiary of Acquirer 1 does not hold any Equity Shares of the Target Company as on the date of the PA.
- 3.1.9. As of the date of the PA, neither Acquirer 1 nor its directors and / nor key managerial personnel have any interest in the Target Company, save and except the proposed shareholding to be acquired in the Target Company pursuant to the Preferential Issue (as explained below). As of the date of this LOF, there are no directors representing Acquirer 1 on the Board of Directors of the Target Company.
- 3.1.10. Acquirer 1, its promoters and directors have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act ("**the SEBI Act**"). Acquirer 1 is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- 3.1.11. The authorised and paid-up share capital of Acquirer 1 are Rs. 1100.00 Lakh and Rs. 981.59 Lakh respectively. The face value of equity shares of Acquirer 1 is Rs. 10 (Rupees Ten only) each. The equity shares of Acquirer 1 are not listed on any stock exchanges in India or abroad.
- 3.1.12. The brief standalone audited financials of Acquirer 1 for the last 3 years and unaudited for six months is tabled hereunder:

(Figures in ₹ Lakh except Other Financial Data)

Profit & Loss Account	For the Six Months ended Sep. 30, 2016	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Audited	Audited	Audited	Audited
Income from Operations	4133.24	7929.04	6707.45	6797.91
Other Income	0.16	2.67	0.71	55.58
Total Income	4133.40	7931.71	6708.16	6853.49
Total Expenditure	3725.08	7231.46	5930.04	6071.64
PBDIT	408.31	700.25	778.12	781.85
Depreciation	107.25	207.19	182.63	164.05
Interest	169.77	326.71	446.14	389.29
Profit/(Loss) Before Tax	131.29	166.36	149.34	228.51
Current Tax	26.77	33.92	29.88	34.89
Deferred Tax	74.99	65.90	28.35	25.20
MAT Credit Entitlement	(26.77)	(12.85)	(27.73)	(24.79)
Profit/(Loss) After Tax	56.30	79.39	118.84	193.21
Balance Sheet				
Sources of Funds				
Capital Account	981.59	981.59	981.59	785.27
Reserves and Surplus*	455.15	398.86	327.48	386.75
Net worth	1436.74	1380.45	1309.07	1172.02
Secured Loans	488.15	346.20	466.79	422.80
Unsecured Loans	1562.80	1582.90	1578.98	1557.52
Deferred Tax Liabilities	311.29	236.30	170.40	147.71
Total	3798.98	3545.84	3525.24	3300.05
Uses of Funds				
Net Fixed Assets	2670.96	2575.48	2539.79	2313.43

Investments	523.44	523.44	525.14	527.64
Current Assets Loan and Advances	3311.86	3153.92	3028.38	3185.26
Current Liabilities	2707.28	2706.99	2568.07	2726.28
Net Current Assets	604.58	446.93	460.31	458.98
Total Misc. Exp. Not Written Off	0	0	0	0
Total	3798.98	3545.84	3525.24	3300.05
Other Financial Data				
Dividend (%)	NIL	NIL	NIL	10%
Earnings Per Share in ₹	0.57	0.81	1.21	2.46
Return on Net worth (%)	5.74%	8.09%	12.11%	24.60%
Book Value Per Share (₹)	14.64	14.06	13.34	14.93

3.1.13. There are no major contingent liabilities of Acquirer 1 as of September 30, 2016 as per the audited books of accounts.

3.2. Mr. Raminder Singh Nibber ("Acquirer 2")

3.2.1. Mr. Raminder Singh Nibber S/o Late Mr. Gurcharan Singh Nibber is a 75 year old Resident Indian resides at 1021, Phase IV, SAS Nagar, Mohali 160 059, Punjab. Tel. No. +91-172-5008900; Email: rsnibber@pritikagroup.com. Acquirer 2 holds diploma in mechanical engineering from Roorkee. Acquirer 2 has not changed / altered his name at any point of time during his life.

3.2.2. Acquirer 2 carries a valid passport of Republic of India and also holds a Permanent Account Number ("PAN") in India. He has been associated in the fields of operations, marketing and administration for the past 50 years. Acquirer 2 does not belong to any group. Acquirer 2 is the father of Acquirer 3.

3.2.3. CA Vinod Kumar Brahmi (Membership No. 082677), Proprietor of VPMG & Co., Chartered Accountants (Firm Registration No. 003726N), having their office located at AC/166-C, Shalimar Bagh, Delhi 110 085. Tel. No. +91-99899450262; Email: vkbrahmi@gmail.com, has certified vide certificate dated January 21, 2017 that the net worth of Acquirer 2 as on January 21, 2017 is ₹14,35,84,434/- (Rupees Fourteen Crore Thirty-Five Lakh Eighty-Four Thousand Four Hundred and Thirty-Four only).

3.2.4. Acquirer 2 does not hold any Equity Shares of the Target Company as on date of the PA.

3.2.5. The details of the companies in which Acquirer 2 holds directorship is tabled below :

Name of the Company	Registered Office of the Company	Date of Incorporation and CIN	Main Objects / Business	Equity Shares held in Target Company as on date of the PA
Pritika Industries Limited (Acquirer 1)	Plot No. C-94, Phase-VII, Focal Point Industrial Area, S.A.S. Nagar, Mohali 160 055, Punjab	July 1, 1997; CIN: U34300PB1997PLC038216	Manufacturing and Trading of tractor parts, machine tools and machine tools accessories	NIL
Pritika Autocast Limited (Selling Company 1)	Village Bathri, Teh. Haroli, Tahliwala-Garshankar Road, Dist. Una - 174 301, Himachal Pradesh	November 7, 2005 CIN: L34300HP2005PLC029149	Manufacturing and trading of all types of metals, alloys, castings, tractor parts and accessories and allied products of automobiles industry	NIL

Nibber Castings Private Limited (Selling Company 2)	Plot No. C-94, Phase-VII, Focal Point Industrial Area, S.A.S. Nagar, Mohali 160 055, Punjab	January 3, 1996 CIN: U27107PB1996PTC017505	Manufacturing and trading of all types of metals, alloys, castings, automobile parts, machine tools and engineering goods.	NIL
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Notes:

- Acquirer 2 is acting as Managing Director in Acquirer 1 and as a whole-time director (WTD) in Selling Company 2.
- None of the companies mentioned in the table above have been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act.
- The companies mentioned in the table above are neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor are under winding up.

3.3. Mr. Harpreet Singh Nibber ("Acquirer 3")

- 3.3.1. Mr. Harpreet Singh Nibber S/o Mr. Raminder Singh Nibber is a 45 year old Resident Indian, qualified as B. Tech (Mechanical) and resides at 1021, Phase IV, SAS Nagar, Mohali 160 059, Punjab. Tel. No. +91-172-5008900; Email: harpreet@pritikagroup.com. Acquirer 3 has not changed / altered his name at any point of time during his life.
- 3.3.2. Acquirer 3 carries a valid passport of Republic of India and also holds a PAN in India. He has been associated in the fields of operations, marketing and administration for the past 20 years. Acquirer 3 does not belong to any group. Acquirer 3 is the son of Acquirer 2.
- 3.3.3. CA Vinod Kumar Brahmi (Membership No. 082677), Proprietor of VPMG & Co., Chartered Accountants (Firm Registration No. 003726N), having their office located at AC/166-C, Shalimar Bagh, Delhi 110 085. Tel. No. +91-99899450262; Email: vkbrahmi@gmail.com, has certified vide certificate dated January 21, 2017 that the net worth of Acquirer 3 as on January 21, 2017 is ₹22,29,94,561/- (Rupees Twenty-Two Crore Twenty-Nine Lakh Ninety-Four Thousand Five Hundred and Sixty-One only).
- 3.3.4. Acquirer 3 does not hold any Equity Shares of the Target Company as on date of the PA. However, he has agreed to buy the Sale Shares from the current promoter of the Target Company.
- 3.3.5. The details of the companies in which Acquirer 2 holds directorship is tabled below :

Name of the Company	Registered Office of the Company	Date of Incorporation and CIN	Main Objects / Business	Equity Shares held in Target Company as on date of the PA
Pritika Industries Limited (Acquirer 1)	Plot No. C-94, Phase-VII, Focal Point Industrial Area, S.A.S. Nagar, Mohali 160 055, Punjab	July 1, 1997; CIN: U34300PB1997PLC038216	Manufacturing and Trading of tractor parts, machine tools and machine tools accessories	NIL
Pritika Autocast Limited (Selling Company 1)	Village Bathri, Teh. Haroli, Tahlwala-Garshankar Road, Dist. Una - 174 301, Himachal Pradesh.	November 7, 2005 CIN: L34300HP2005PLC029149	Manufacturing and trading of all types of metals, alloys, castings, tractor parts and accessories and allied products of automobiles industry	NIL

Nibber Castings Private Limited (Selling Company 2)	Plot No. C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar, Mohali 160 055, Punjab	January 3, 1996 CIN: U27107PB1996PTC017505	Manufacturing and trading of all types of metals, alloys, castings, automobile parts, machine tools and engineering goods.	NIL
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Notes:

- Acquirer 3 is acting as Managing Director in both the Selling Companies.
- None of the companies mentioned in the table above have been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act.
- The companies mentioned in the table above are neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor are under winding up.

- Ms. Pavit Nibber, a minor and daughter of Mr. Harpreet Singh Nibber and Mrs. Rishi Mangat has been excluded from the purview of Regulation 2(1)(q)(2) of the Takeover Regulations. However, Ms. Pavit Nibber's shareholding (being a shareholder of Selling Company 1) has been clubbed with the shareholding of Mr. Harpreet Singh Nibber who is her father and also her legal and natural guardian.

3.4. Details of the PACs

- The list of Persons Acting in Concert ("PACs") with the Acquirers within the meaning of Regulation 2(1)(q)(1) of the Takeover Regulations in relation to this Offer is disclosed in a tabular format with their respective details:

Name of the PACs	Residential Address	Date of Birth	Occupation	Residential Status	Relationship with the Acquirer 1	Relationship with the Acquirer 2	Relationship with the Acquirer 3
Mrs. Rishi Mangat / (PAC 1)	1021, Phase IV, SAS Nagar, Mohali 160 059, Punjab	December 1, 1971	Doctor	Indian	-	Daughter-in-law	Wife
Mr. Gurkaran Singh Nibber / (PAC 2)	1021, Phase IV, SAS Nagar, Mohali 160 059, Punjab	January 17, 1999	Student	Indian	Shareholder	Grand Son	Son

- The contact details of the PACs are Tel. No. +91-172-5008900, Email: harpreet@pritikagroup.com
- The PACs have not changed / altered their names at any point of time during their lives. PAC 1 is the mother of PAC 2.
- The PACs have undertaken that they do not intend to acquire any Open Offer Shares. Mr. Harpreet Singh Nibber (Acquirer 3) is the Constituted Attorney on behalf of Acquirer 2 and the PACs vide Power of Attorney ("POA") dated January 24, 2017 in relation to the Offer.
- The PACs do not hold any position in any listed or private limited companies.
- The following are the number of Equity Shares of the Target Company which are proposed to be allotted to the PACs in the proposed preferential issue of the Target Company:

Name of the PAC	Equity Shares allotted against shareholding in Selling Company 1	Equity Shares allotted against shareholding in Selling Company 2	Total Equity Shares to be allotted in the Pref. Issue of the Target Company
PAC 1	NIL	65,040	65,040
PAC 2	45,041	1,86,117	2,31,158

- 3.4.7. CA Vinod Kumar Brahmi (Membership No. 082677), Proprietor of VPMG & Co., Chartered Accountants (Firm Registration No. 003726N), having their office located at AC/166-C, Shalimar Bagh, Delhi 110 085. Tel. No. +91-99899450262; Email: vkbrahmi@gmail.com, has certified vide certificate dated January 21, 2017 that the net worth of PAC 1 as on January 21, 2017 is ₹67,83,885/- (Rupees Sixty-Seven Lakh Eighty-Three Thousand Eight Hundred and Eighty-Five only).
- 3.4.8. CA Vinod Kumar Brahmi (Membership No. 082677), Proprietor of VPMG & Co., Chartered Accountants (Firm Registration No. 003726N), having their office located at AC/166-C, Shalimar Bagh, Delhi 110 085. Tel. No. +91-99899450262; Email: vkbrahmi@gmail.com, has certified vide certificate dated January 21, 2017 that the net worth of PAC 2 as on January 21, 2017 is ₹1,16,05,534/- (Rupees One Crore Sixteen Lakh Five Thousand Five Hundred and Thirty-Four only).
- 3.4.9. The Open Offer Shares under this Offer will be acquired by the Acquirer 1 solely, while the Sale Shares will be acquired by Acquirer 3 in his personal capacity. Further all expenses related to the Open Offer will be jointly borne by the Acquirers.
- 3.5. Joint Undertakings / Confirmation by the Acquirers and the PACs**
- 3.5.1. The Acquirers and the PACs had not been acquired any Equity Shares in the Target Company till the date of the PA. Hence, compliance w.r.t. Chapter V of the Takeover Regulations / Chapter II of the SEBI Takeover Regulations, 1997 is not applicable to them.
- 3.5.2. The Equity Shares tendered in this Offer will be acquired solely by Acquirer 1. Further Acquirer 2, Acquirer 3 and the PACs have undertaken that they do not intend to acquire any Open Offer Shares.
- 3.5.3. The Acquirers and the PACs do not have any relations with the Target Company nor have any interest in the Target Company prior to the date of the PA. Neither the Acquirers nor the PACs nor their representatives are on the board of the Target Company.
- 3.5.4. The Acquirers and the PACs have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act (the “SEBI Act”). The PACs undertake that they will not sell the Equity Shares of the Target Company, if any held by them during the Offer Period in terms of Regulation 25(4) of the Takeover Regulations.
- 3.5.5. The Acquirers and the PACs undertake that if they acquire any Equity Shares of the Target Company during the Offer Period, they will inform the Stock Exchanges and the Target Company within 24 hours of such acquisitions and they will not acquire any Equity Shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period (“TP”) and until the closure of the TP in accordance with Regulation 18(6) of the Regulations.
- 3.5.6. As on date of the LOF, the Acquirers and the PACs are in compliance with Regulation 6A of the Takeover Regulations.

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4. BACKGROUND OF THE SELLING COMPANIES

A) Selling Company 1 ("Pritika Autocast Limited")

- 4.1 Selling Company 1 was incorporated as a private limited company named "Pritika Autocast Private Limited" on November 7, 2005 under the Companies Act, 1956 (No. 1 of 1956) in the State of Himachal Pradesh and received the 'Certificate of Incorporation' was obtained from the ROC, Punjab, H. P. and Chandigarh.
- 4.2 The name of Selling Company 1 was changed to its present name "Pritika Autocast Limited" and a fresh Certificate of Incorporation consequent upon change of name on conversion to public limited company was obtained from the ROC, Punjab, H. P. and Chandigarh on June 12, 2014. The name of Selling Company 1 has not been changed since then. The CIN of Selling Company 1 is L34300HP2005PLC029149.
- 4.3 The Registered Office of Selling Company 1 is situated at Village Bathri, Teh. Haroli, Tahliwala-Garshankar Road, Dist. Una - 174 301, Himachal Pradesh, India. Tel. No. +91-172-5008900/01; Email: rcsaini@pritikagroup.com.
- 4.4 The main objects of Selling Company 1 as per its MOA are to carry on the business of manufacturers, buyers, sellers, assembling, or distributing processors, founders, forgers, convertors, fabricators etc. of all types of metals, alloys, castings, tractor parts and accessories and allied products of automobiles industry for use as original equipment or otherwise.
- 4.5 Selling Company 1 is a subsidiary of Acquirer 1 and it has a manufacturing unit located at the registered office address. The equity shares of Selling Company 1 have voluntarily been delisted from BSE Institutional Trading Platform (ITP) w.e.f. February 21, 2017.
- 4.6 Selling Company 1 belongs to Pritika Group of Industries. The shareholding pattern of Selling Company 1 as on the date of LOF is tabled below:

Name of the Person / Entity	No. of equity shares held	% of the total share capital
I. Promoter Group		
M/s Pritika Industries Limited / Acquirer 1	81,22,500	67.54%
Mr. Raminder Singh Nibber / Acquirer 2	12,03,420	10.01%
Mr. Harpreet Singh Nibber / Acquirer 3	25,91,145*	21.55%
Mr. Gurkaran Singh Nibber / PAC 2	1,04,500	0.87%
II. Public Category		
Mr. Ramesh Chander Saini	2,350	0.02%
Mr. Ajay Kumar	2,250	0.02%
Mr. Gaganpreet Singh	3,00	0.00%
Mr. Avtar Singh	10	0.00%
Total (I + II)	1,20,26,475	100%

*Includes 1,05,945 equity shares registered in the name of Acquirer 3 as the legal and natural guardian of Ms. Pavit Nibber

- 4.7 The board of directors of Selling Company 1 as on date of LOF is tabled below :

Sl. No.	Name	Directorship	DIN	Date of Appointment in Company
1.	Mr. Raminder Singh Nibber	Director	00239117	October 1, 2012
2.	Mr. Harpreet Singh Nibber	Managing Director	00239042	August 30, 2013
3.	Mr. Parvinder Singh Sahni	Director	00606931	July 1, 2014
4.	Ms. Vijay Laxmi	Director	07256378	August 6, 2015

- 4.8 Selling Company 1 does not have any subsidiary.

- 4.9 The authorised and paid-up share capital of Selling Company 1 are Rs. 1400.00 Lakh and Rs. 1202.65 Lakh respectively. The face value of equity shares of Selling Company 1 is Rs. 10 (Rupees Ten only) each.
- 4.10 The brief standalone audited financials of Selling Company 1 for the last 3 years and for six months is tabled hereunder:

(Figures in ₹ Lakh except stated)

Particulars	For 6 months ended Sep. 30, 2016	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Audited	Audited	Audited	Audited
Share Capital	1202.65	1202.65	1202.65	801.77
Reserves & Surplus	736.78	665.80	519.36	901.27
Networth	1939.43	1868.45	1722.01	1703.04
Total Income	4791.86	8625.71	8290.98	9655.54
Net Income	70.98	146.44	156.79	355.35
EPS (in Rs.)	0.59	1.22	1.30	4.43
NAV (in Rs.)	16.13	15.54	14.32	21.24

- 4.11 The board of directors and the shareholders of the Selling Company 1 in their respective meetings held on January 24, 2017 have approved the Share Sale & Subscription Arrangement between the Target Company and itself, whereby the existing shareholders of Selling Company 1 will get Equity Shares of ₹ 10 each of Target Company, through preferential allotment for their respective shareholding in Selling Company 1 based on the Valuation Report dated January 24, 2017 and in this connection, the board of directors have authorised Mr. Harpreet Singh Nibber to enter into a Share Sale and Subscription Agreement with the Target Company.
- 4.12 Post completion of the share swap and the Offer, Selling Company 1 will become a wholly owned subsidiary (WOS) of the Target Company.

B) Selling Company 2 ("Nibber Castings Private Limited")

- 4.13 Selling Company 2 was incorporated as a private limited company named "Nibber Castings Private Limited" on January 3, 1996 under the Companies Act, 1956 (No. 1 of 1956) in the State of Punjab and received the 'Certificate of Incorporation' was obtained from the ROC, Punjab, H. P. and Chandigarh.
- 4.14 The name of Selling Company 2 has not been changed since its incorporation. The CIN of Selling Company 2 is U27107PB1996PTC017505.
- 4.15 The Registered Office of Selling Company 2 is situated at Plot No. C-94, Phase VII, Focal Point Industrial Area, SAS Nagar, Mohali 160 055, Punjab, India. Tel. No. +91-172-5008900/01; Email: rcsaini@pritikagroup.com.
- 4.16 The main objects of Selling Company 2 as per its MOA are to carry on the business of manufacturers, buyers, sellers, assemblers, founders, forgers, convertors, fabricators etc. of all types of metals, alloys, castings, automobile parts, machine tools and engineering goods.
- 4.17 Selling Company 2 belongs to Pritika Group of Industries. The shareholding pattern of Selling Company 2 as on date of LOF is as follows:

Name of the Person / Entity	No. of equity shares held	% of the total share capital
I. Promoter Group		
M/s Pritika Industries Limited / Acquirer 1	11,40,000	45.60%
Mr. Raminder Singh Nibber / Acquirer 2	4,22,420	16.90%
Mr. Harpreet Singh Nibber / Acquirer 3	5,17,220	20.69%
Mrs. Rishi Mangat / PAC 1	70,000	2.80%
Mr. Gurkaran Singh Nibber / PAC 2	2,00,310	8.01%
II. Public Category		
M/s Advance Products Private Limited	1,49,940	6.00%

Mr. Ramesh Chander Saini	100	0.00%
Mr. Avtar Singh	10	0.00%
Total (I + II)	25,00,000	100%

4.18 The board of directors of Selling Company 2 as on date of LOF is as follows:

Sl. No.	Name	Directorship	DIN	Date of Appointment in Company
1.	Mr. Raminder Singh Nibber	Whole-time Director	00239117	September 2, 2013
2.	Mr. Harpreet Singh Nibber	Managing Director	00239042	September 2, 2013
3.	Mr. Ramesh Chander Saini	Additional Director	02830867	December 28, 2016

4.19 The manufacturing unit of Selling Company 2 is situated at Village Saidamajra, Post Office Mubarakpur, Near Focal Point, Derabassi, Dist. Mohali, Punjab 140 507.

4.20 Selling Company 2 does not have any subsidiary or holding company.

4.21 The authorised and paid-up share capital of Selling Company 2 are Rs. 250.00 Lakh and Rs. 250.00 Lakh respectively. The face value of equity shares of Selling Company 2 is Rs. 10 (Rupees Ten only) each. The equity shares of Selling Company 2 are not listed on any stock exchange.

4.22 The brief standalone audited financials of Selling Company 2 for the last 3 years and for six months is tabled hereunder:

(Figures in ₹ Lakh except stated)

Particulars	For 6 months ended Sep. 30, 2016	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Audited	Audited	Audited	Audited
Share Capital	235.01	235.01	235.01	235.01
Reserves & Surplus	605.82	533.45	474.39	436.76
Networth	840.83	768.46	709.39	671.77
Total Income	2818.10	4317.27	4264.75	4907.31
Net Income	72.37	59.88	57.71	109.65
EPS (in Rs.)	3.08	2.55	2.46	4.74
NAV (in Rs.)	35.78	32.70	30.19	28.59

4.23 The board of directors and the shareholders of the Selling Company 2 in their respective meetings held on January 24, 2017 have approved the Share Sale And Subscription Arrangement between the Target Company and itself, whereby the existing shareholders of Selling Company 2 will get Equity Shares of ₹ 10 each of Target Company, through preferential allotment for their respective shareholding in Selling Company 2 based on the Valuation Report dated January 24, 2017 and in this connection, the board of directors have authorised Mr. Harpreet Singh Nibber to enter into a Share Sale & Subscription Agreement with the Target Company.

4.24 Post completion of the share swap and the Offer, Selling Company 2 will become a wholly owned subsidiary (WOS) of the Target Company.

4.25 Joint Undertakings / Confirmation by the Selling Companies

- There has been no merger, demerger or spin-off during the last three years involving the Selling Companies.
- The Selling Companies, its promoters and directors have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act. The Selling Companies are neither sick companies within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor are under winding up.

- iii. On successful completion of the SSAs, the Selling Companies will become 100% subsidiary of the Target Company.
- iv. As of the date of the PA, neither the Selling Companies nor their directors and / nor their key managerial personnel have any interest in the Target Company, save and except the proposed shareholding to be acquired in the Target Company pursuant to the Preferential Issue. As of the date of this LOF, there are no directors representing the Selling Companies on the Board of Directors of the Target Company.
- v. As on date of the LOF, the Selling Companies do not hold any Equity Shares of the Target Company and therefore compliance with Chapter V of the Takeover Regulations / Chapter II of the SEBI Takeover Regulations, 1997 is not applicable.
- vi. The Selling Companies undertake that they will not sell the Equity Shares of the Target Company, if any held by them during the Offer Period in terms of Regulation 25(4) of the Takeover Regulations.
- vii. The Selling Companies undertake that they will not acquire any Equity Shares of the Target Company during the period between three working days prior to the commencement of the TP and until the closure of the TP as per the Regulation 18(6) of the Takeover Regulations.

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5. BACKGROUND OF THE TARGET COMPANY

- 5.1. The Target Company was incorporated on April 11, 1980 under the Companies Act, 1956 (No.1 of 1956) in the state of Maharashtra as “Hariganga Machineries and Engineering Services Limited” and received the ‘Certificate of Incorporation’ bearing number 225006 of 1980 from the Registrar of Companies (“ROC”), Maharashtra, Bombay. The Target Company had also received Certificate for Commencement of Business from ROC, Maharashtra on April 25, 1980. The CIN of the Target Company is L45208MH1980PLC022506.
- 5.2. The name of the Target Company was changed from “Hariganga Machineries and Engineering Services Limited” to. “Shivkrupa Machineries and Engineering Services Limited” on August 5, 2015 and a fresh certificate of incorporation consequent on change of name was obtained from ROC, Maharashtra. The name of the Target Company was further changed to its present name “Pritika Auto Industries Limited” w.e.f. March 16, 2017. There has been no change in the name of the Target Company since March 16, 2017.
- 5.3. The Registered Office of the Target Company is situated at Old Motor Stand, Itwari, Nagpur 440 008, Maharashtra, India. Tel. No. +91-712-2768748/49; Email: shivkrupamachineries@gmail.com; Web: www.shivkrupamachineries.com and the Corporate Office of the Target Company is situated at F-24, First Floor, Raghuleela Mega Mall, Behind Painsur Depot, Kandivali (West), Mumbai 400 067. Tel. No. +91-22-6520 2220.
- 5.4. The main objects of the Target Company are to carry on business of Manufacturers, Designers, Planners, Engineers, Consultants, Contractors, Fabricators, Assemblers, Processor, Patentees, Dealers, and Traders, Importers and Exporters of Industrial and Non Industrial Plants Machineries, Equipments, Tools Stores and Spares and to promote develop and provide design plans, layout and technical knowledge, processes, turnkey consultancy, engineering and allied services within and outside India.
- 5.5. As on date of the PA, the Target Company has been currently engaged in the business of trading of machineries, equipments, tools and various industrial products. The Target Company also provides engineering and allied services to its clients.
- 5.6. Further, the Target Company has changed its objects clause to reflect the new name and in this connection a Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s) dated March 9, 2017 has been received from ROC, Mumbai.
- 5.7. The main objects of the Target Company w.e.f. March 9, 2017 is as follow:
- To carry on the business as manufacturers, buyers, sellers, assembling or distributing processors, founders, forgers, converters, fabricators, assemblers, importers, exporters, agents, buyers, and sellers of all types of metal, alloys, castings, automobile parts, machine tools, tractor parts, all types of machinery, plant equipment, component, spares, tools, engineering goods and accessories including zigs and fixtures, bolts and nuts, screws of any size and design for motor vehicles, or components parts thereof, chassis motors, buses lorries, omnibuses, engines, locomotives; scooters, tracks, tractors and other vehicle and component or motor vehicle parts, Tools, implements, spare parts, accessories, materials and allied products of automobiles industry for use as original equipment or otherwise and processing, assembling, jobbing, fabricating, manufacturing and marketing and dealers of automobile accessories and spares, automotive parts connect therewith.
- 5.8. The entire present and paid up Equity Shares of the Target Company is currently listed on Calcutta Stock Exchange Limited, Kolkata (“CSE”) and BSE Limited, Mumbai (“BSE”). The Equity Shares were initially listed only on CSE pursuant to the Initial Public Offerings (“IPO”) in the year 1982. The Equity Shares of the Target Company were later listed on BSE w.e.f. October 1, 2015 under the direct listing norms.
- 5.9. The Equity Shares of the Target Company are frequently traded within the meaning of Regulation 2(1)(j) of the Takeover Regulations on BSE. The Security ID and Security Code of the Equity Share of the Target Company at BSE are “PRITKAUTO” and “539359” respectively. The “Company Code” of the Target Company at CSE is 18096. No trading has been recorded in the Equity Shares of the Target Company during the last five years on CSE.

- 5.10. CSE had suspended the trading of the scrip of the Target Company due to non-compliance with the Listing Agreement. However, the suspension in trading of Equity Shares was revoked by CSE with effect from November 10, 2014.
- 5.11. Except as mentioned-above, the Equity Shares of the Target Company have not been suspended by BSE or CSE. As on date of the PA, the entire Share & Voting Capital of the Target Company is listed on CSE and BSE.
- 5.12. As on date of the PA, the Authorised Share Capital of the Target Company is ₹700.00 Lakh comprising of 70,00,000 Equity Shares of ₹10/- each. In the Extra-Ordinary General Meeting (EOGM) of the Target Company held on February 22, 2017, the Authorised Share Capital of the Target Company was increased from ₹700.00 Lakh to ₹1500.00 Lakh comprising of 1,50,00,000 Equity Shares of ₹10/- each.
- 5.13. The current subscribed and paid-up capital of the Target Company is ₹1354.20 Lakh consisting of 1,35,42,000 Equity Shares of ₹ 10/- each. There are no partly paid-up Equity Shares in the Target Company. The capital structure of the Target Company is as under:

Paid-up Equity Shares of the Target Company	No. of Equity Shares / Voting Rights	% of Equity Shares / Voting Rights
Fully paid-up Equity Shares	1,35,42,000	100%
Partly paid-up Equity Shares	NIL	NIL
Total Paid-up Equity Shares	1,35,42,000	100%
Total Voting Rights in the Target Company	1,35,42,000	100%

- 5.14. There are no outstanding convertible instruments (Debentures/Warrants/FCDs/PCDs) etc. issued by the Target Company which will convert into Equity Shares on any later date. No Equity Shares of the Target Company are under lock-in as on the date of the PA. Save and except, the Equity Shares allotted under the Preferential Issue and the prior shareholding, if any, of the allottees, which will be subject to the lock-in provisions in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009, there are no Equity Shares of the Target Company that are “locked-in” as on the date of this LOF.
- 5.15. As on the date of this LOF, the composition of the Board of Directors of the Target Company is as follows:

Sl. No.	Name	Designation	DIN	Date of Appointment in the Target Company
1.	Mr. Harish Gangaram Agrawal	Executive Director	0291083	December 5, 2005
2.	Mr. Krishnakumar Agarwal	Non-Executive Independent Director	0291076	February 15, 1995
3.	Mr. Bhushan Vishwanath Adhatrao	Non-Executive Independent Director	06577945	October 20, 2014
4.	Mr. Chetan Dhondur Shinde	Managing Director	06996605	October 20, 2014
5.	Mrs. Sapna Khandelwal	Non-Executive, Independent Director	07155903	March 31, 2015

Note: None of the directors mentioned in the table above are representatives of the Acquirers and/or the PACs. neither of them are related to the Acquirers and/or the PACs in any manner whatsoever.

- 5.16. There has been no merger, demerger, amalgamation or spin-off during the last 3 years involving the Target Company. As on the date of LOF, the Target Company does not have any subsidiary or holding company. However, the Target Company may become a subsidiary of Acquirer 1 post allotment of Equity Shares under proposed Preferential Issue and post successful completion of the Open Offer. Also, post the completion of the SSSA1 and SSSA 2 and the Offer, the Selling Companies will become the wholly owned subsidiaries (WOS) of the Target Company.

- 5.17. The Target Company including its promoter and directors has not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act. The Target Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- 5.18. The brief standalone audited financial statements for financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 and the six months period ended on September 30, 2016 of the Target Company are tabled below:

(Figures in ₹ Lakh except Other Financial Data)

Profit & Loss Account	For the Six months ended Sept. 30, 2016	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Ltd. Reviewed#	Audited	Audited	Audited
Income from Operations	12.00	40.50	42.81	4.82
Other Operating Income	0.00	19.24	4.88	0.00
Total Income	12.00	59.75	47.69	4.82
Total Expenditure	8.73	50.73	36.71	2.59
PBDIT	3.27	9.02	10.98	2.23
Depreciation	0.08	0.17	0.00	0.00
Interest	0.00	0.00	0.00	0.00
Other Income	27.50			
Profit/(Loss) Before Tax	30.85	8.85	10.98	2.23
Provision for Tax	-	2.74	5.37	0.18
Profit/(Loss) After Tax	-	6.11	5.61	2.05
Balance Sheet				
Sources of Funds				
Capital Account	469.25	469.25	469.25	50.00
Reserves and Surplus*	25.35	(5.34)	(11.44)	(17.05)
Net worth	494.60	463.91	457.81	32.95
Non-Current Liabilities	0.17	0.17	0.09	-
Current Liabilities	21.63	21.00	5.36	4.83
Total	516.40	485.08	463.26	37.78
Uses of Funds				
Non-Current Assets				
Net Fixed Assets	0.75	0.83	1.00	-
Non-Current Investments	28.32	88.93	74.37	-
Deferred Tax Assets (Net)	-	-	-	3.40
Long-term Loans & Advances	110.00	110.00	110.00	-
Current Assets				
Trade receivables	30.75	17.08	28.84	5.32
Cash & Cash Equivalent	59.06	4.12	15.66	1.85
Short-term loans & advances	282.97	220.35	229.27	27.19
Other Current Assets	4.55	43.77	4.12	-
Total	516.40	485.08	463.26	37.78
Other Financial Data				
Dividend (%)	NIL	NIL	NIL	NIL
Earnings Per Share (in ₹)	0.65 [§]	0.13	0.34	0.41
Return on Net worth (%)		1.32%	1.23%	6.22%
Book Value Per Share (in ₹)		9.89	9.76	6.59

*excluding Revaluation Reserves; [§] Not annualised

#Limited Reviewed Financials as filed by the Target Company with BSE.

5.19. Pre and Post (inclusive of pref. allotment of Equity Shares) Offer Shareholding Pattern of the Target Company as on date of this LOF is and shall be as follows:

Shareholders' Category	Shareholding prior to the Agreement / Acquisition and the Offer		Sale Shares agreed to be acquired pursuant to SPA and allotment under Pref. Issue which triggered off the Takeover Regulations		Shares to be acquired in Open Offer (assuming full acceptances)		Shareholding after the acquisition and Offer (assuming full acceptances)	
	A		B		C		A+B+C = D	
	No.	%	No.	%	No.	%	No.	%
(1) Promoters and Promoter Group								
a) Parties to agreement, if any	83,200	1.77%	(-83,200)	(-0.61%)	0	0	0	0
b) Promoters other than (a) above	0	0	0	0	0	0	0	0
Total 1 (a+b)	83,200	1.77%	(-83,200)	(-0.61%)	0	0	0	0
(2) Acquirers and PACs								
a) The Acquirers								
Acquirer 1	0	0	45,60,153	33.67%	36,93,820	27.28%	82,53,973	60.95%
Acquirer 2	0	0	10,61,182	7.84%	0	0	10,61,182	7.84%
Acquirer 3	0	0	18,85,598	13.92%	0	0	18,85,598	13.92%
b) PACs								
PAC 1	0	0	65,040	0.48%	0	0	65,040	0.48%
PAC 2	0	0	2,31,158	1.71%	0	0	2,31,158	1.71%
Total 2 (a+b)	0	0	78,03,131	57.62%	36,93,820	27.28%	1,14,96,951	84.90%
(3) Parties to agreement other than 1 (a) & (b)	0	0	0	0	0	0	0	0
(4) Public (other than parties to the agreement)								
a) Institutions	0	0	0	0	36,93,820	27.28%	20,45,049	15.10%
b) Central/State Govt.	0	0	0	0				
c) Non-Institutions	46,09,300	98.23%	11,29,569	8.34%				
Total (4) (a+b+c+d)	46,09,300	98.23%	11,29,569	8.34%	36,93,820	27.28%	20,45,049	15.10%
Grand Total (1+2+3+4)	46,92,500	100%	89,32,700	65.96%	0	0%	1,35,42,000	100%

Notes:

1. The figures indicates the Sale Shares to be acquired under the SPA by Acquirer 3 from Mr. Harish Gangaram Agarwal (forming part of the current promoter group of the TC)

2. Total outstanding number of Equity Shares and the corresponding percentage (%) as mentioned in Column A are calculated on Existing Share & Voting Capital of the Target Company.
3. Total outstanding number of Equity Shares and the corresponding percentage (%) as mentioned in Columns B, C and D are calculated on Diluted Share & Voting Capital of the Target Company.
4. Acquirer 3 shareholding in the above table is inclusive of the 83,200 Sale Shares and the 45,664 Equity Shares held on behalf of his minor daughter Ms. Pavit Nibber.
5. In column 'B' except the 83,200 Equity Shares representing the Sale Shares to be acquired by Acquirer 3 under the SPA, the acquisition of the balance 77,19,931 Equity Shares by Acquirer 1, Acquirer 2, Acquirer 3, PAC 1 and PAC 2 is under the proposed preferential issue.
6. Of the 77,19,931 Equity Shares to be allotted to the Acquirers and PACs, 73,64,931 Equity Shares are proposed to be allotted for acquiring their existing shareholding in Selling Company 1 and Selling Company 2 under SSSA 1 and SSSA 2 respectively, while the balance 3,55,000 Equity Shares is proposed to be allotted for Cash.
7. In column 'B' the Public category refers to the list of allottees categorised as "Others" to whom Equity Shares are proposed to be allotted under the preferential issue route. The list of allottees grouped under the category "Others" are defined as under: i. Not related to the Acquirers and the PACs of the proposed Offer or forming part of the promoter group of the Selling Companies; ii. Not related to the Promoters and also not forming part of the promoter group of the Target Company; and iii. Who are not involved in the day to day management of the Target Company and/or the Selling Companies
8. For more details on the break-up of the proposed preferential issue, kindly also refer to the table provided in para 2.1.3 of the LOF.
9. A total of 6,65,000 Equity Shares which were proposed to be allotted in cash to the "Others" public category of shareholders have not been subscribed in the pref. allotment of Equity Shares on March 15, 2017 due to which Diluted Shares & Voting Capital of the Target Company has been reduced from 1,42,07,000 Equity Shares of Rs. 10/- each (as mentioned in the DLOF) to 1,35,42,000 Equity Shares of Rs. 10/- each.

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6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE UNDER DIRECT ACQUISITION

- 6.1.1. The Offer is made pursuant to the proposed allotment of Equity Shares of the Target Company to the Acquirers and the PACs and execution of the SPA for the direct acquisition of Equity Shares and control from the Seller by Acquirer 3.
- 6.1.2. The Equity Shares of the Target Company are currently listed on the BSE and CSE. The Equity Shares of the Target Company are frequently traded within the meaning of Regulation 2(1)(j) of the Takeover Regulations on BSE and there has been no trading recorded on CSE during the last five years.
- 6.1.3. The annualized trading turnover of the equity shares of the Target Company on BSE based on trading volume during twelve calendar months preceding the month of PA (January 2016 to December 2016) is given below:

Name of the Stock Exchange	Total number of Equity Shares traded during twelve calendar months preceding the month of PA	Total Number of Listed Equity Shares On Stock Exchange	Trading Turnover (in terms of % to Total Listed Equity Shares)
BSE*	40,55,205	46,92,500	86.42%
CSE	NIL	46,92,500	NIL

*Source: www.bseindia.com

- 6.1.4. The Offer Price of ₹37.50/- (Rupees Thirty-Seven and Paise Fifty only) per Equity Share is justified in terms of Regulation 8(1) and 8(2) of the Takeover Regulations as it is higher of the following:

(a)	Highest Negotiated Price per Equity Share for any acquisition under the SPA attracting the obligation to make the PA	₹20.00
(b)	The volume-weighted average price paid or payable for acquisition during the 52 week immediately preceding the date of the PA	Not Applicable
(c)	The highest price paid or payable for any acquisition during 26 weeks period immediately preceding the date of PA	Not Applicable
(d)	The volume-weighted average market price for a period of 60 trading days immediately preceding the date of PA on BSE	₹36.01
(e)	The Price per Equity Share in the Proposed Preferential Issue to the Acquirers, the PACs and Others	₹37.40
(f)	The average of weekly high and low of the volume-weighted average price of the Equity Shares during the 26 weeks preceding the Relevant Date	₹33.69
(g)	The average of weekly high and low of the volume-weighted average price of the Equity Shares during the 2 weeks preceding the Relevant Date	₹37.12

- 6.1.5. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.
- 6.1.6. If the Acquirers and the PACs acquire Equity Shares of the Target Company during the period of twenty-six weeks after the closure of TP at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose Equity Shares have been accepted in this Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares of the Target Company in any form.

- 6.1.7. As on date of this LOF, there is no revision in the Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers will comply with all the provisions of the Regulation 18(5) of the Takeover 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 upto three working days prior to the date of commencement of the TP in accordance with Regulation 18(4) of the Takeover Regulations and would be notified to the shareholders by way of another public announcement in the same newspapers where the DPS has appeared.

6.2 FINANCIAL ARRANGEMENTS

- 6.2.1. The total fund requirement for the Offer (assuming full acceptance) is ₹13,85,18,250/- (Rupees Thirteen Crore Eighty-Five Lakh Eighteen Thousand Two Hundred and Fifty only). In accordance with Regulation 17(1) of the Takeover Regulations, the Acquirers have opened a “**Cash Escrow Account**” in the name and style as “SMESL-Open Offer-Escrow Account” bearing Account No. 201001010597 and “**Special Account**” in the name and style as “SMESL Open Offer Special Account” bearing Account No. 201001010931 with Indusind Bank Limited (“**Escrow Bank**”), Branch: 61, Sonawala Building, Opp. BSE Building, Fort, Mumbai 400 001, Maharashtra.
- 6.2.2. The Acquirers have deposited ₹3,50,00,000 (Rupees Three Crore and Fifty Lakh only) in the Cash Escrow Account in accordance with the Regulation 17(3)(a) of the Takeover Regulations.
- 6.2.3. A lien has been marked on the said Cash Escrow Account in favour of the Manager to the Offer by the Escrow Bank. The Manager to the Offer has been solely authorised in accordance the Escrow Agreement dated January 25, 2017 to operate and realise the value of Cash Escrow Account in terms of the Regulation 17(5) of the Takeover Regulations.
- 6.2.4. The Acquirers have adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their respective networkths.
- 6.2.5. CA Vinod Kumar Brahmi (Membership No. 082677), Proprietor of VPMG & Co., Chartered Accountants (Firm Registration No. 003726N), having their office located at AC/166-C, Shalimar Bagh, Delhi 110 085. Tel. No. +91-99899450262; Email: vkbrahmi@gmail.com, has certified vide certificate dated January 25, 2017 that joint networkth of the Acquires and the PACs sufficient enough to meet the financial obligations amounting upto Rs. 13,85,18,250/- in respect of the Open Offer. He has further certified that the standalone networkth of Acquirer 1 based on the audited financials for six months period ended on September 30, 2016 is also sufficient enough to meet the above referred financial obligations under the said Open Offer.
- 6.2.6. On the basis of necessary information and explanation given by the Acquirers and on the verification of their assets, liabilities, and the requirement of the funds, the Acquirers have adequate resources to fulfil the obligations under this Offer in full. The financial obligations of the Acquirers under the Offer have been fulfilled through internal resources of the Acquirers and no borrowings from Banks or NRIs or Financial Institutions are envisaged.
- 6.2.7. 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 Takeover Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

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7. TERMS AND CONDITIONS OF THE OFFER

7.1. OPERATIONAL TERMS AND CONDITIONS

- 7.1.1. The Offer is not subject to any minimum level of acceptances from shareholders of the Target Company. Acquirer 1 will acquire all the fully paid-up Equity Shares of the Target Company that are validly tendered and accepted in terms of this Offer upto 36,93,820 fully paid-up equity shares of ₹10/- each representing 27.28% of the Diluted Share & Voting Capital of the Target Company. Thus, the Acquirers will proceed with the Offer even if they are unable to obtain acceptance to the full extent of the Equity Shares of the Target Company for which this Offer is made.
- 7.1.2. The Acquirers and the PACs refrain themselves to send the LOF to non-resident shareholders in accordance with Regulation 18(2) of the Takeover Regulations since the local laws or regulations of any jurisdiction outside India may expose them or the Target Company to material risk of civil, regulatory or criminal liabilities in case the LOF is sent in its original form. However, non-resident can participate in the Offer even if LOF is not sent to them.
- 7.1.3. The Offer is subject to the terms and conditions set out in this LOF, the PA, the DPS and any other public announcements that may be issued with respect to the Offer.
- 7.1.4. The LOF alongwith FOA would also be available at SEBI's website, www.sebi.gov.in and equity shareholders can also apply by downloading such forms from the website.
- 7.1.5. Accidental omission to dispatch this LOF or any further communication to any person to whom this Offer is made or the non-receipt of this LOF by any such person shall not invalidate the Offer in any way. The instructions, authorisations and provisions contained in the FOA constitute an integral part of the terms of this Offer.
- 7.1.6. The acceptance of the Offer must be unconditional and should be sent in the enclosed FOA along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at the collection centres mentioned in Para 7 under "Procedure for Acceptance and Settlement" on or before the Closure of the TP.
- 7.1.7. The Acquirers will not be responsible in any manner for any loss of share certificate(s) and Offer acceptance documents during transit. The Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- 7.1.8. In terms of the Regulation 18(9) of the Takeover Regulations, Shareholders who tender their equity shares in acceptance of this Offer shall not be entitled to withdraw such acceptance.
- 7.1.9. Kindly note that the Registrar and Transfer Agent ("RTA") of the Target Company is **Adroit Corporate Services Private Limited** and the Acquirers have appointed them as "**Registrar to the Offer**". For any transfer, issuance of new share certificate, conversion of physical shares into demat or dematerialisation of shares Shareholders are advised to contact to the RTA of the Target Company. No documents should be sent to the Seller, the Acquirers, the PACs, the Target Company and the Manager to the Offer.

7.2. LOCKED IN SHARES

Save and except, the Equity Shares allotted under the Preferential Issue and the prior shareholding, if any, of the allottees, which will be subject to the lock-in provisions in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009, there are no Equity Shares of the Target Company that are "locked-in" as on the date of this LOF.

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7.3. ELIGIBILITY FOR ACCEPTING THE OFFER

The Offer is made to all the public shareholders (except the Acquirers, the PACs and the Seller) whose names appeared in the register of shareholders ("**Physical Holders**") on Identified Date and also to the beneficial owners ("**Demat Holders**") of the Equity Shares of Target Company, whose names appeared as beneficiaries on the records of the respective Depository Participants ("**DP**") at the close of the business hours on the Identified Date and also to those persons who own Equity Shares any time prior to the closure of the TP, but are not registered shareholder(s).

7.4. STATUTORY APPROVALS

- 7.4.1. As on date of this LOF, to the best of the knowledge of the Acquirers, there are no statutory approvals is required to implement this Offer. However, the approvals from members and the stock exchange are due to the Target Company for proposed Preferential Issue and subsequent listing of Equity Shares of the Target Company. Further, in case of any regulatory or statutory or other approval being required, the Offer shall be subject to all such approvals and the Acquirers shall make the necessary applications for such approvals.
- 7.4.2. The Acquirers, in terms of Regulation 23(1)(a) of the Takeover Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which the DPS has appeared.
- 7.4.3. The Offer cannot be withdrawn by the Acquirers except the conditions as stipulated at Regulation 23(1) of the Takeover Regulations.
- 7.4.4. In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the shareholders of the Target Company whose Equity Shares have been accepted in the Offer, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 18(11) of the Takeover Regulations.
- 7.4.5. The Acquirer 1 will take the requisite approvals for acquisition of Equity Shares, if any, tendered by the non-resident shareholders in the Offer.

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8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1. The Open Offer will be implemented by the Acquirer through Stock Exchange mechanism made available on iBBS (“**Internet Based Book Building**”) platform of BSE in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI Takeover Regulations and SEBI circulars CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI.
- 8.2. BSE shall be the “**Designated Stock Exchange**” for the purpose of tendering Equity Shares in the Open Offer. The facility for acquisition of Equity Shares through Stock Exchange mechanism pursuant to Offer shall be available on the BSE in the form of a separate window - Acquisition Window.
- 8.3. The Acquirers have appointed **Systematix Shares & Stocks (I) Ltd.** (“**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. The contact details of the Buying Broker are as mentioned below:
- Systematix Shares & Stocks (India) Limited, A/603-606, The Capital, Plot C-70, G Block, BKC, Bandra (East), Mumbai 400 051, India. Tel. No. +91-22-3029 8000; Fax No. +91-22-3029 8029; Email: compliance@systematixgroup.in; Contact Person: Mr. Rajkumar Gupta.
- 8.4. All eligible owners of Equity Shares of the Target Company, registered or unregistered who wish to avail and tender their Equity Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker**” or “**Trading Member**”), during the normal trading hours of the secondary market during Tendering Period. The Selling Brokers can enter orders for demat shares as well as physical shares.
- 8.5. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period. The securities pay-in shall be as per the early pay-in mechanism currently available in the secondary market.
- 8.6. Shareholders can tender their Equity Shares only through a broker with whom the shareholder is registered as client (KYC Compliant). Also, shareholders are requested to note that trading account is a mandatory requirement to participate in the Offer irrespective of nature of Equity Shares (i.e. physical or demat) held by a shareholder.
- 8.7. In case of offer under Takeover Regulations, the Manager to the Offer shall finalise the basis of acceptance of the shares depending upon the level of acceptances received in the Offer.
- 8.8. **Bid Entry Process Flow**
- The Trading Member(s) can give up the bids to the Custodians via the bid entry screen. The Custodian’s early pay-in of securities and confirmation of bids shall be within the normal trading hours during the tender offer open period, except for the last day of tender offer shall be up to 6.00 pm (However bids will be accepted only up to 3:30 p.m.).
 - Trading Member(s) are requested to note that demat bids entered in the bidding window will be validated against the confirmation of deposit of shares received from Depositories system and the reflection of the same in RTRMS window. In other words, Member(s) should submit their bids only after sighting the shares in the RTRMS window.
 - Trading Member(s) are advised to ensure that their clients deposit shares through the Early Pay-in mechanism provided by Depositories system before placing the bids/ orders.
- 8.9. **Deposit Process for Demat Equity Shares**
- Shareholders should therefore ensure to give the instructions in the Depository systems well in advance to ensure all their demat bids placed by the Trading Members are accepted before issue closure time.

- ii. Custodian(s) should deposit shares through the Early Pay-in mechanism provided by Depositories system before confirmation of the bid orders placed by the Trading Members the bids/ orders.

8.10. Deposit Process for Physical Equity Shares

- i. The Investor should approach the Seller Member (Trading Member of the Exchange) with his physical share certificate(s), transfer deed etc. as specified in the Letter of Offer/ Offer Documents/ Prospectus.
- ii. The Seller Member(s) should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Seller Member(s) to print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
- iii. The Seller Member/ Investor has to deliver the shares & documents along with TRS to the Registrar & Transfer Agent (RTA). Physical Share Certificates to reach RTA within 2 days of bidding by Seller Member.
- iv. One copy of the TRS will be retained by RTA and RTA to provide acknowledgement of the same to the Seller Member/ Investor.
- v. Till RTA confirms the such physical share bids, the Exchange shall display such bid Quantity on the Exchange website as Unconfirmed Physical Bids.
- vi. The Seller Member's shall be able to view in his terminal such physical share bids will be shown as Provisional bids.
- vii. The reasons for RTA rejection will be available as download to the Seller Member.
- viii. As and when the RTA confirms the records, such bids will be treated as confirmed and displayed on Exchange Website as Confirmed Physical Bid.
- ix. In the Seller Member's terminal such physical share bids will be moved from Provisional bids to confirm bids.
- x. On acceptance of physical shares by the RTA, the funds received from Buyer Member(s) by the Clearing Corporation (ICCL) will be released to the Seller Member(s) as per secondary market pay out mechanism.
- xi. Any excess physical shares pursuant to acceptance/ allotment or rejection will be returned back to the Investors directly by RTA.

8.11. Execution of Trade and Settlement

- i. Once the basis of acceptance is finalised, the Clearing Corporation ("ICCL") would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account of the Acquirer/ Company.
- ii. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Broker's depository pool account for onward transfer to the shareholder. The Seller Broker would then issue contract note for the shares accepted in the offer and also return the balance shares to their respective clients.
- iii. Trading Members to ensure UCC of the Investor or Shareholders is registered and / or updated stating the correct PAN Number in the UCC database of BSE. Trading Member(s) can bid for investors having shares in demat and physical form. In the bidding window, Trading Member(s) should ensure to use the same DP Id and Client ID / Client Beneficiary ID as mentioned in the Early Pay-in instructions to the Depositories by the Client.

8.12. **Clearing & Settlement:** ICCL will issue a separate settlement number to each offer which will be provided in a separate circular issued at the time of the opening of the offer(s).

8.13. **Settlement process for demat Equity Shares**

8.13.1. **Securities Settlement**

- i. Settlement shall take place on gross basis. Shareholders should use the settlement number provided in the offer opening circular to transfer the shares to the Clearing Corporation (ICCL) through the early pay-in mechanism of Depositories. The shares so transferred will be used as Securities Pay-in of the concerned Members whose bids will be accepted as per the basis of allotment.
- ii. The buyer Clients Broker Member will receive all the shares in Securities pay-out. ICCL will provide an option to the buyer Clients Broker to upload a Direct payout to Clients (DPC) file which will enable ICCL to transfer the shares directly in the Client's beneficiary account. Once the basis of acceptance is finalized, Clearing Corporation (ICCL) would transfer unaccepted/ excess shares directly to shareholders account if any. If the securities transfer instruction is rejected in the Depository system, or due to any issues then such securities will be transferred to the Seller Brokers Depository pool account for onward transfer to Shareholders.

8.13.2. **Fund Settlement**

i. **Funds Pay-in**

The Buyer Member(s) will be required to fund its settlement bank account before the Settlement Pay-in timeline for fulfilling their funds obligation on the settlement date. The concerned Buyer Member(s) would be required to make the funds pay-in in the settlement account of ICCL, as per the settlement schedule announced by ICCL.

ii. **Funds Pay out**

For shares accepted under the Offer, Clearing Corporation (ICCL) will make direct funds payout to respective eligible Shareholder's bank account as provided by the Depository system. If shareholders' bank account details are not available or if the funds transfer instruction gets rejected by RBI/Bank, due to any issue then such funds will be transferred to the concerned Seller Brokers' settlement bank account for onward transfer to their respective clients.

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 Member Broker's Settlement Accounts for releasing the same to their respective client's account onward. For this purpose, the client type details would be collected from the RTA.

In case of deals confirmed by custodian settlement will be released to custodies settlement account.

8.14. **Settlement process for Physical Equity Shares**

Members are requested to follow the bidding process mentioned above to understand the delivery of Physical shares to the RTA. The details of the funds receivable position of the Seller Member(s) will be determined based on the basis of acceptance finalised by the RTA.

The funds received from Buyer Member(s) by the Clearing Corporation of the Exchange (ICCL – Indian Clearing Corporation Ltd.) will be released to the Seller Member(s) as per secondary market pay out mechanism. Any excess Physical shares pursuant to acceptance/ allotment or rejection will be returned back to the Investors directly by RTA.

8.15. **Settlement Cycle**

A typical settlement cycle for OTB Segment (Acquisition Window) shall be as under:

Activity	Timings
T-Day (Receipt of Basis of Acceptance by Exchange)	
Settlement Obligations download	By 4.00 pm (approx.)
T+1 Day Settlement	
Settlement of Funds & Securities (Demat)	By 12.30 pm (approx.)
Settlement of Funds (Physical)	

8.16. Procedure for tendering the shares in case of non-receipt of Letter of Offer

- i. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- ii. A Shareholder may participate in the Offer by approaching their broker/Selling Broker and tender Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.
- iii. The Letter of Offer will be dispatched to all the Eligible Shareholders of the Target Company. Public Shareholders holding equity shares in physical mode and Equity Shares under lock-in will be sent respective FOAs along with the Letter of Offer. In case of non-receipt of the Letter of Offer, such Eligible Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.
- iv. The Letter of Offer along with the FOA would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.

8.17. Tendering of Locked in-shares

For Equity Shares which are locked-in, the selling shareholder can tender the Equity Shares in the same manner which is in existence currently i.e. through "off-market".

8.18. Acceptance Date and Settlement Date for the Offer

Shareholders are requested to refer to the notice to be released by BSE a day prior to the starting of the TP to know the acceptance and settlement dates of the Offer.

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9. TAX INFORMATION

9.1. Capital Gains

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax provided the transaction is chargeable to STT.

9.2. Tax deduction at source (“TDS”)

- i. In case of Resident Shareholders: In absence of any specific provision under the Income Tax Act, the Acquirers shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Offer.
- ii. In the case of Non Resident Shareholders: Since the Offer is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorized dealers/ tax advisors appropriately.

9.3. Interest Payment

- i. In case of interest payments, if any, by the Acquirers for delay in payment of Offer consideration or a part thereof, the Acquirers will deduct taxes at source at the applicable rates as per the Income Tax Act.
- ii. 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 PURCHASER DOES NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS OFFER.
- iii. If the resident and non-resident Shareholders require that no tax is to be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the following documents are required to be submitted to the Registrar to the Offer.

For Resident Shareholders

- i. Self-attested copy of PAN card
- ii. Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (Certificate for Deduction of Tax at Lower Rate)
- iii. For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any).

For Non-Resident Shareholders

- i. Self-attested copy of PAN card
- ii. Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (Certificate for Deduction of Tax at Lower Rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the amount of interest)
- iii. Tax Residency Certificate and a no ‘permanent establishment’/business connection declaration

In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, tax will be deducted at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs, by the Acquirers.

PLEASE NOTE THAT THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

9.4. Issue of tax deduction at source certificate

- i. The Acquirers will issue a certificate in the prescribed form to the Equity Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.
- ii. The Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

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10. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the Shareholders of the Target Company at the Corporate Office of the Manager to the Offer situated at The Capital, A-Wing, No. 603-606, 6th Floor, Plot No. C-70, G-Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400 051, Maharashtra, India during the TP from Monday to Friday except SEBI Holidays between 10.00 a.m. to 5.00 p.m.

- 10.1. Certificates dated January 21, 2017 issued by CA Vinod Kumar Brahmi (Membership No. 082677), Proprietor of VPMG & Co., Chartered Accountants (Firm Registration No. 003726N), certifying the Networth of the individual Acquirers and the PACs.
- 10.2. Certificate dated January 25, 2017 issued by CA Vinod Kumar Brahmi (Membership No. 082677), Proprietor of VPMG & Co., Chartered Accountants (Firm Registration No. 003726N), certifying the adequacy of financial resources with the Acquirers and the PACs to fulfil the Offer obligations.
- 10.3. Audited Balance Sheet and Profit & Loss Account for six months period ended on September 30, 2016 and annual reports of the Target Company for the year ending March 31, 2016, 2015 and 2014 for Acquirer 1.
- 10.4. Audited Balance Sheet and Profit & Loss Account for six months period ended on September 30, 2016 and annual reports of the Target Company for the year ending March 31, 2016, 2015 and 2014 for the Selling Companies.
- 10.5. Audited Balance Sheet and Profit & Loss Account and annual reports of the Target Company for the year ending March 31, 2016, 2015 and 2014 as certified by the Auditors. A copy of limited review for six months period ended September 30, 2016 as submitted with BSE by the Target Company.
- 10.6. Certificate from Escrow Bank confirming that Rs. 350.00 Lakh amount kept in Escrow Account opened as per the Takeover Regulations and a lien is marked in favour of Manager to the Offer.
- 10.7. Copy of PA, Published copy of the DPS, Corrigendum, Offer Opening PA and Post-Offer PA which appeared in the Newspapers and any other Public Announcement / Corrigendum to these in relation to the Offer.
- 10.8. Copy of the Share Sale & Subscription Agreements dated January 25, 2017 which triggered the Offer.
- 10.9. Copy of the Valuation Reports dated January 24, 2017 for determining fair market value of the Selling Companies prepared by Navigant Corporate Advisors Ltd, Mumbai for determining fair market value of the Selling Companies.
- 10.10. Copy of the SPA for the sale and acquisition of the Equity Shares/Sale Shares and control of the Target Company dated January 25, 2017 entered into between the Acquirers and the Seller which triggered the Offer.
- 10.11. A copy of the recommendation made by independent members of the Board of Target Company in terms of Regulation 27(7) of the Takeover Regulations.
- 10.12. A copy of the final observations letter from SEBI, received in accordance with regulation 16 (4) of the Takeover Regulations.
- 10.13. A copy of justification of Pref. Issue Price in terms of the SEBI (ICDR) Regulations from Statutory Auditors of the Target Company.
- 10.14. Memorandum of Understanding between the Acquirers and Systematix Corporate Services Limited dated January 25, 2017.
- 10.15. Memorandum of Understanding between the Acquirers and the Registrar to the Offer dated January 25, 2017.

- 10.16. Memorandum of Understanding between the Acquirers and Systematix Corporate Services Limited and the Escrow Banker, Indusind Bank dated January 25, 2017.
- 10.17. Undertaking from the Acquirers for unconditional payment of the considerations within 10 days of closure to all the Shareholders of the Target Company whose applications are accepted in the Open Offer.
- 10.18. Copy of the agreement entered between the Acquirer and the Buying Broker, Systematix Shares & Stocks (India) Ltd. for the purpose of the Open Offer.
- 10.19. Copy of Certificate of Incorporation and MOA & AOA of the Acquirer 1.
- 10.20. Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s) issued by ROC, Mumbai dated March 9, 2017.
- 10.21. Copy of Certificate of Incorporation pursuant to change of name of the Target Company dated March 16, 2017.

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11. DECLARATION BY THE ACQUIRERS AND THE PACs

- 11.1. We have jointly & severally made all reasonable inquiries, accept responsibility for, and confirm that this LOF contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this LOF 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.
- 11.2. We are jointly & severally responsible for ensuring compliance with the Takeover Regulations and the obligations as stated under the Takeover Regulations. All information contained in this document is true and correct as on date of the PA, DPS and this LOF, unless stated otherwise.
- 11.3. We hereby jointly & severally declare and confirm that all the relevant provisions of Companies Act, 1956/2013 and all the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956/2013 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

On behalf of the Acquirers and the PACs

Sd/-

Harpreet Singh Nibber

(Authorised Signatory for Acquirer 1 and the Constituted Attorney on behalf of Acquirer 2 and the PACs)

Date: March 31, 2017

Place: Mohali.

Enclosures:

1. Form of Acceptance-cum-Acknowledgement (FOA)
2. Blank Share Transfer Deed (Only for Physical Holders)

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOA)

(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

All terms and expressions used herein shall have the same meaning as described thereto in this LOF.

Offer Opens / Tendering Period Starts on: April 12, 2017 (Wednesday)
Offer Closes / Tendering Period Ends on: April 26, 2017 (Wednesday)

FOR OFFICE USE ONLY

Acceptance Number	
Number of equity shares offered	
Number of equity shares accepted	
Purchase Consideration in Rupees (₹)	
Cheque No. / Pay Order No. / Demand Draft No.	

Shareholder(s) Details:

Name: _____

Full Address: _____

Dist: _____; State: _____; PinCode: _____

Tel. No. with STD Code: _____; Mobile No. _____

Fax No. with STD Code: _____; Email: _____

Adroit Corporate Services Private Limited

Unit: Pritika Auto Industries Limited – Open Offer

17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059.

Tel. No. +91-22-42270400; Fax No. +91-22-28503748

E-mail: sandeeph@adroitcorporate.com

Sub.: Open Offer for acquisition of 36,93,820 Equity Shares of “Pritika Auto Industries Limited” representing 27.28% of the Diluted Shares & Voting Capital at a price of ₹37.50/- per Equity Share by the Acquirers under SEBI (SAST) Regulations, 2011.

Dear Sir/Madam,

I/We refer to the LOF dated March 31, 2017 for acquiring the Equity Shares held by me/us in the Target Company.

I/We, the undersigned, have read the LOF and understood its contents including the terms and conditions as mentioned therein.

For Equity Shares held in Physical Form:

I/We accept the Offer and enclose the original Equity Share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below:

Sl. No.	Folio No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
			From	To	
Total Number of Equity Shares					

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We note and understand that the original equity share certificate(s) and valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pay the purchase consideration as mentioned in the LOF.

I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

Enclosures (please provide the following and ✓ whichever is applicable):

- i. Original Equity Share certificates
- ii. Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
- iii. Form of Acceptance – signed by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
- iv. Photocopy of Transaction Registration Slip (TRS) Self attested copy of PAN card of all the transferor(s)
- v. Self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license
- vi. Any other relevant document (but not limited to) such as Power of Attorney (if any person apart from the Shareholder has signed the FOA), corporate authorization (including board resolution/ specimen signature), notarised copy of death certificate and succession certificate or probated will, if the original shareholder has deceased etc., as applicable. Shareholders of the Target Company holding physical shares should note that Physical Shares will not be accepted unless the complete set of documents are submitted.

For all Shareholders (holding equity shares in demat or physical form):

I / We confirm that the equity shares which are being tendered herewith by me / us under this Open Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter and that I / we have obtained any necessary consents to sell the equity shares on the foregoing basis.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender equity shares for Open Offer and that I/we am/are legally entitled to tender the equity shares for Open Offer. I/We declare that regulatory approvals, if applicable, for holding the equity shares and/or for tendering the equity shares in this Offer have been enclosed herewith.

I/We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certificates, documents and signatures, as applicable submitted along with this FOA. I/We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me/us.

I/We give my/our consent to file form FCTRS, if applicable, on my/our behalf. I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effect the Open Offer in accordance with the SEBI Takeover Regulations.

I / We am/are not debarred from dealing in equity shares.

I / We authorise the Acquirer to accept the equity shares so offered or such lesser number of equity shares which they may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the Letter of Offer and I / we further authorize the Acquirer to return to me / us in the demat account/ share certificate(s) in respect of which the Open Offer is not found valid / not accepted without specifying the reasons thereof. I/We further agree to receive a single share certificate for the unaccepted equity shares in physical form.

In case of demat shareholders, I / We note and understand that the equity shares would be kept in the pool account of my/our broker and the lien will be marked by Clearing Corporation until the Settlement Date whereby the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer. In case of physical shareholders, I / We note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration as mentioned in the Letter of Offer or the date by which Original Share Certificate(s), Transfer Deed(s) and other documents are returned to the shareholders, as the case may be.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of equity shares under the Income Tax Act, 1961.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

For NRIs/OCBs/ FIIs and sub-accounts/other non-resident Shareholders:

I/We confirm that my/our status is (✓ whichever is applicable):

Individual	Foreign Company	FIIs / FPIs-Corporate	FIIs / FPIs-Others	FVCI
Foreign Trust	Private Equity Fund	Pension / Provident Fund	Sovereign Wealth Fund	Partnership / Proprietorship Firm
Financial Institution	NRIs / PIOs-Repatriable	NRIs / PIOs- Non-Repatriable	OCBs	QFI
Others (Please Specify):				

I/We confirm that my/our investment status is (✓ whichever is applicable):

FDI Route / PIS Route / Any Other (Please Specify):

I/We confirm that the equity shares tendered by me/us are held on (✓ whichever is applicable):

Repatriable basis / Non-repatriable basis

I/We confirm that (✓ whichever is applicable):

No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the equity shares are held under general permission of the RBI

Copies of all approvals required by me for holding equity shares that have been tendered in this Offer are enclosed herewith Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

I/We confirm that (✓ whichever is applicable):

No RBI, FIPB or other regulatory approval is required by me for tendering the equity shares in this Offer.

Copies of all approvals required by me for tendering equity shares in this Offer are enclosed herewith.

In case of shareholders holding equity shares in demat form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the Depositories.

In case of interest payments, if any, 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 Income Tax Act.

Yours faithfully,

Signed & Delivered by	Full Name(s) of the Shareholder(s)	Signature(s)	PAN
Sole / First Shareholder			
Second Shareholder			
Third Shareholder			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the rubber stamp should be affixed and necessary board resolution must be attached.

Place: _____

Date: _____

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Form No. SH-4 Securities Transfer Form

[Pursuant to section 56 of the Companies act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of Execution (DD-MM-YYYY): _____

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do here by agree to accept and hold the said securities subject to the conditions aforesaid.

Name of the Company: Pritika Auto Industries Limited

CIN of the Company: L45208MH1980PLC022506

Name of the Stock Exchange where the Company is listed, if any: BSE Ltd. and Calcutta Stock Exchange Ltd.

Description of Securities:			
Kind/Class of securities	Nominal value of each unit of security	Amount called up per unit of security	Amount paid up per unit of security
Equity Shares	Rs. 10/-		
No. of Securities being Transferred		Consideration Received (Rs.)	
In Figures	In Words	In Figures	In Words

Distinctive Number	From				
	To				
Corresponding Certificate No.					

Transferor's Particulars:		
Registered Folio Number		Attestation: I hereby attest the signature of the Transferor(s) herein mentioned.
Full Name of Seller	Seller's Signature	Signature: Full Name: Address: Seal:
1.		
2.		
3.		
I, hereby confirm that the Transferor has signed before me.	Name and Address of Witness	
Signature of Witness		

Transferee Particulars:	(1)	(2)	(3)
Full Name			
Father/Spouse Name			
Address			
Contact No.			
Email			
Occupation			
Existing Folio Number			
PAN			
Signature			

Folio No. of Transferee: _____

Specimen Signature of Transferee: _____

Value of Stamp affixed: Rs. _____

Enclosures:

- (1) Certificate of equity shares or debentures or other securities
- (2) If no certificate is issued, letter of allotment.
- (3) Copy of PAN CARD of all the Transferees (For all listed Cos).
- (4) Other, Specify.....

Stamps:

--

For Office use only:

Checked by _____ Signature tallied by _____ Entered in the Register of Transfer on _____ vide Transfer No. _____ Approval Date _____ Power of Attorney/Probate/Death Certificate/Letter of Administration registered on _____ at Number (No.) _____
--

ACKNOWLEDGEMENT

For Physical Shares

Received from Mr./Ms./Mrs./M/s. _____

I / We, holding Equity Shares in the physical form, accept the Offer and enclose duly filled signed and or stamped the original share certificate(s), transfer deed(s) and Form of Acceptance in "market" mode, duly acknowledged by me/us in respect of my shares as detailed below:

Sl. No.	Folio No.	Certificate No.	Distinctive No.		No. of Equity Shares
			From	To	
Total Number of Equity Shares					

For Demat Shares

Received from Mr. / Ms. / Mrs. / M/s. _____

I / We, holding Equity Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "market" mode, duly acknowledged by my/our Depository Participant in respect of my shares as detailed below:

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

Stamp of Collection Centre	Signature of Official	Date of Receipt

Instructions:

- Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance cum Acknowledgement.
- The Form of Acceptance cum Acknowledgement should be filled-up in English only.

Note: All future correspondence, if any should be addressed to the Registrar to the Offer:

Adroit Corporate Services Private Limited

Unit: Pritika Auto Industries Limited – Open Offer

17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road,
Marol Naka, Andheri (E), Mumbai 400059.

Tel. No. +91-22-42270400 Ext. 426; Fax No. +91-22-28503748

E-mail: sandeeph@adroitcorporate.com

Contact Person: Mr. Sandeep Holam

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