

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 Welcon International 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") 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 SEBI (SAST) Regulations") for the acquisition of **1,55,64,120** fully paid-up Equity Shares of Re.1/- each ("the Equity Shares"), representing **26%** of the Diluted Share and Voting Capital ("the Offer Size") at **Rs. 3.00/-** (Rupees Three Only) per fully paid-up Equity Share ("the Offer Price") payable in **Cash**

BY

MR. MURTUZA MANSOORBHAI ("ACQUIRER")

Residing at: 5/2, Akar Building, Chindwara Road, Chitnavis Layout, Byranji Town, Katol road, Nagpur - 440013, Maharashtra.

Contact No.: +91 9823522223; Email: muzaliarts@gmail.com

ALONG WITH

MRS. FARHEEN MURTUZA MANSOORBHAI ("PAC 1")

Residing at: 5/2, Akar Building, Chindwara Road, Chitnavis Layout, Byranji Town, Katol road, Nagpur - 440013, Maharashtra.

Contact No.: +91 9823522223; Email: deepalihsn@gmail.com

AND

MRS. SHIVANI SHARDA SHARMA ("PAC 2")

Residing at: Polo residence C1, Building, Meydan-Dubai (UAE)

Contact No.: +971562282082; Email: shivanisharda91@gmail.com

TO THE EQUITY SHAREHOLDERS OF

WELCON INTERNATIONAL LIMITED ("TARGET COMPANY"/"WIL")

(Formerly known as Sinner Energy India Limited)

CIN: L45100MH1995PLC322040

Registered Office: SH- 11 V Star Plaza, Plot No. 16 CTS No. 606A 606A/1 to 22, Chandavarkar Road, Borivali West, Mumbai – 400092, Maharashtra, India.

Tel. No. +91- 8655012379 Email: welconinternationaltd@gmail.com; Web: www.welconinternational.com

ATTENTION

1. This Offer is neither conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations nor it is a competing offer in terms of the Regulation 20 of the SEBI (SAST) 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 Acquirer and the PACs, there are no statutory or other approvals which are required to make this Offer, except receipt of in-principle approval from the Stock Exchanges (as defined below) for listing of the Subscription Shares (as defined below).
3. If there is any upward revision in the Offer Price/Offer Size at any time upto one (1) working day prior to the commencement of the Tendering Period in terms of the SEBI (SAST) Regulations, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement ('DPS') was published. Such revised Offer Price would be payable to all the Shareholders, who have validly tendered their Equity Shares anytime during the Tendering Period to the extent their Equity Shares have been verified and accepted under the Offer, by the Acquirer and the PACs. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the DPS is published.
4. **There are no competing offers and this offer is not a competing offer.**
5. A copy of Public Announcement, Detailed Public Statement, Draft Letter of Offer, Corrigendum to DPS and Letter of Offer (including Form of Acceptance-cum- Acknowledgement) will be available on Securities Exchange Board of India ("SEBI") website: www.sebi.gov.in

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 SYSTEMATIX GROUP Investments Re-defined	 SATELLITE
SYSTEMATIX CORPORATE SERVICES LIMITED The Capital, A Wing, 603-606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India. Telephone: +91 22 6704 8000 Fax: +91 22 6704 8022 E-mail: ecm@systematixgroup.in Website: www.systematixgroup.in Contact Person: Amit Kumar SEBI Registration Number: INM000004224	SATELLITE CORPORATE SERVICES PRIVATE LIMITED Office No. A 106 & 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Sakinaka, Mumbai - 400 072. Telephone: +91-22-2852 0461/462 Fax: +91-22-2851 1809 E-mail: info@satellitecorporate.com Website: www.satellitecorporate.com Contact Person: Mr. Harish Devadiga SEBI Registration Number: INR000003639
OFFER / TENDERING PERIOD ("TP")	
STARTS ON: MONDAY, OCTOBER 26, 2020	CLOSES ON: MONDAY, NOVEMBER 09, 2020

SCHEDULE OF ACTIVITIES

Activity	Original Schedule of Activities (as disclosed in the Draft Letter of Offer)	Revised Schedule of Activities
	Original Day and Date	Revised Day and Date
Date of release of the Public Announcement (PA)	Monday, August 24, 2020	Monday, August 24, 2020
Date of release of the Detailed Public Statement (DPS)	Monday, August 31, 2020	Monday, August 31, 2020
Last date of filing of the Draft Letter of Offer (DLOF) with SEBI	Monday, September 07, 2020	Monday, September 07, 2020
Last date for a Competitive Bid / Offer [§]	Monday, September 21, 2020	Monday, September 21, 2020
Identified Date*	Wednesday, September 30, 2020	Monday, October 12, 2020
Last date for dispatch of the Letter of Offer to the Public Shareholders	Thursday, October 08, 2020	Monday, October 19, 2020
Last date for public announcement by the Independent Directors Committee (“IDC”) of the Target Company on the Offer	Tuesday, October 13, 2020	Thursday, October 22, 2020
Last date for upward revision of the Offer Price or any increase in the Offer Size	Wednesday, October 14, 2020	Friday, October 23, 2020
Date of release of Offer Opening Public Announcement (Pre-Offer PA)	Wednesday, October 14, 2020	Friday, October 23, 2020
Date of Opening of the Tendering Period (TP) / Offer	Thursday, October 15, 2020	Monday, October 26, 2020
Date of Closure of the Tendering Period (TP) / Offer	Wednesday, October 28, 2020	Monday, November 09, 2020
Last date for communicating the rejection /acceptance; Completion of payment of consideration or refund to the shareholders	Tuesday, November 10, 2020	Tuesday, November 24, 2020
Last date for release of Post-Offer Public Announcement (Post-Offer PA)	Friday, November 20, 2020	Wednesday, December 02, 2020
Submission of Final Report by the Manager to the Offer with SEBI	Friday, November 20, 2020	Wednesday, December 02, 2020

§ There was no competing offer to the Offer.

*Date falling on the 10th (Tenth) working day prior to commencement of the Tendering Period, for the purposes of determining the eligible shareholders of the Target Company to whom the Letter of Offer shall be sent. It is clarified that all the Public Shareholders (as defined below) are eligible to participate in this Offer at any time prior to the closure of the Tendering Period.

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates. 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 Delivery to Satellite Corporate Services Private Limited (“**Registrar to the Offer**”) to arrive not later than 5:00 pm on or before Wednesday, November 11, 2020 i.e. within two working days from closure of the TP.

RISK FACTORS

A. RISK IN RELATION WITH THE OFFER

- As of date of this Letter of Offer, to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required by the Acquirer and the PACs to complete this Offer. In the event that:
 - any statutory approvals are required by the Acquirer and the PACs at a later date, this Offer shall be subject to such approvals and the Acquirer and the PACs shall make the necessary applications for such approvals and in case such approvals are not received in time;

- b. there is any order of a governmental authority or a litigation leading to a stay or injunction on the Offer or that restricts or restrains the Acquirer and the PACs from performing its obligations hereunder; or
 - c. the SEBI instructs the Acquirer and the PACs not to proceed with the Offer,
- then the Offer process may be withdrawn or delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Eligible Equity Shareholders whose Equity Shares have been accepted in this Offer as well as return of the Equity Shares not accepted by the Acquirer and the PACs may be delayed.

In case the delay is due to non-receipt of statutory approval(s), as may be required at a later date, then in accordance with regulation 18(11) of the SEBI (SAST) Regulations, the SEBI may, if satisfied that non-receipt of approvals was not due to any wilful default, failure or negligence on the part of the Acquirer and the PACs in diligently pursuing such approval, grant an extension for the purpose of completion of the Offer subject to the Acquirer and the PACs agreeing to pay interest to the validly tendering Eligible Equity Shareholders at such rate as may be specified by the SEBI. Provided where the statutory approvals extend to some but not all the Eligible Equity Shareholders, the Acquirer and the PACs will have the option to make payment of the consideration to such Eligible Equity Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirer and the PACs will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused.

2. The Acquirer and the PACs will not proceed with the Offer in the event statutory or other approvals, if any are required, are refused in terms of Regulation 23(1) of SEBI (SAST) Regulations. In the event of a withdrawal of the Offer, the Acquirer and the PACs (through the Manager to the Offer) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement was published, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
3. All Eligible Equity Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Equity Shares in the Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares in the Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in the Offer. If the Equity Shares are held under general permission of the RBI, then the non-resident Eligible Equity Shareholder must state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable or non-repatriable basis.
4. In the event of any litigation leading to a stay on this Offer by a court of competent jurisdiction, or the SEBI instructing that this Offer should not proceed, then this Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated on Page 2 of this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer by the Acquirer and the PACs, may be delayed.
5. The Equity Shares, once tendered through the Form of Acceptance in the Offer, cannot be withdrawn by the Eligible Equity Shareholder during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and, or, dispatch of consideration are delayed.
6. The Eligible Equity Shareholders may tender their Equity Shares in this Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirer and the PACs has up to 10 Working Days, or such extended period as may be permitted by the SEBI, from the date of closure of the Tendering Period to pay the consideration to the Eligible Equity Shareholders whose Equity Shares are accepted in this Offer.
7. The Equity Shares tendered in the Offer will be held in trust by the Clearing Corporation (as defined below), on behalf of the Eligible Equity Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Eligible Equity Shareholders who have tendered their Equity Shares will not be

able to trade in such Equity Shares held in trust by the Clearing Corporation during such period, even if the acceptance of the Equity Shares in this Offer and, or dispatch of payment consideration are delayed. During such period, there may be fluctuations in the market price of the Equity Shares and the Eligible Equity Shareholder will not be able to trade in such Equity Shares which are in the custody of the Clearing Corporation, thereby restricting the ability of such Eligible Equity Shareholders to take advantage of any favourable price movements. Accordingly, the Acquirer and the PACs make no assurance with respect to the market price of the Equity Shares before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Eligible Equity Shareholders on whether or not to participate in this Offer.

8. The Acquirer and the PACs accept no responsibility for statements made otherwise than in the Public Announcement ("PA"), the DPS, this Letter of Offer or in any advertisement or any materials issued by or at the instance of the Acquirer and the PACs. Any persons placing reliance on any other source of information will be doing so at their own risk. Further, the Acquirer, the PACs and the Manager to the Offer do not accept responsibility with respect to the information contained in the PA, the DPS, or this Letter of Offer or the Letter of Offer that pertains to the Target Company which has been provided by the Target Company, or taken from publicly available sources and have not independently verified the accuracy of such information.
9. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of this Letter of Offer resident in jurisdictions outside India should inform themselves of and observe the applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the PACs or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrument from within the United States of America.
10. The Eligible Equity Shareholders are advised to consult their respective tax advisers for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
11. The Acquirer, the PACs and the Manager to the Offer make no assurance with respect to the financial performance of the Target Company and disclaim any responsibility with respect to any decision by the Eligible Equity Shareholders on whether or not to participate in this Offer.

B. RISKS RELATING TO THE ACQUIRER AND THE PACs

1. The Acquirer and the PACs make no assurances with respect to their investment or divestment decisions relating to their proposed shareholding in the Target Company.
2. The Acquirer and the PACs makes no assurances with respect to the continuation of the past trend in the financial performance or of the future performance of the Target Company.
3. The Acquirer and the PACs makes no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaims any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Eligible Equity Shareholder on whether to participate or not to participate in this Offer.
4. The acquisition of Equity Shares pursuant to this Offer, together with the Equity Shares acquired pursuant to the Preferential Issue, shall not result in public shareholding in the Target Company falling below the level required for continued listing as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR").

C. RISK IN THE TRANSACTION

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

CURRENCY OF PRESENTATION

In this LOF, all references to 'Rupees' or '₹' or 'INR' or 'Rs.' are references to the Indian Rupee(s), the currency of the Republic of India. 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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1. ABBREVIATIONS / DEFINITIONS

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

PARTICULARS	DETAILS / DEFINITIONS
Acquirer	Mr. Murtuza Mansoorbhai
AOA	Articles of Association
BSE	BSE Limited, formerly known as Bombay Stock Exchange Limited
Buying Broker	Systematix Shares and Stocks (India) Limited
Cash Escrow Account	Opened for the purpose for keeping minimum escrow requirements
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Convertible Warrants/Warrants	A convertible financial instrument that gets converted into Equity Shares of the issuer Company within 18 months from the date of Allotment
Companies Act	The Companies Act, 1956 or The Companies Act, 2013 as amended or modified from time to time
Commencement of TP	Monday, October 26, 2020 i.e. Offer Opening Date
Closure of the TP	Monday, November 09, 2020 i.e. Offer Closing Date
Demat Holders	Shareholders of the Target Company who are holding their Equity Shares in dematerialized form
DIN	Director Identification Number
Diluted Share and Voting Capital	The total voting Equity Share Capital of the Target Company consisting of 4,77,62,000 Equity Shares and 1,21,00,000 Warrants convertible to equal number of Equity Shares of ₹ 1/- each on a fully diluted basis as of the tenth (10 th) working day from the closure of the Tendering Period of the Offer.
DLOF	Draft Letter of Offer dated September 07, 2020
DP	Depository Participant
DPS	Detailed Public Statement, dated August 29, 2020 issued by the Manager to the Offer, on behalf of the Acquirer and the PACs in relation to the Offer and published in Newspapers on Monday, August 31, 2020 in accordance with Regulations 3(1) and 4 read with Regulations 13(4), 14(3) and 15(2) of the SEBI (SAST) Regulations
Depositories	CDSL and NSDL
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 Acquire and the PACs
Escrow Agreement	Escrow Agreement dated August 20, 2020 between the Acquirer and the Escrow Agent 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 Re. 1.00/- each of the Target Company unless it is specified
Escrow Agent	Indusind Bank Limited
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
HUF	Hindu Undivided Family
Identified Date	Monday October 12, 2020 i.e. the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the names of the Eligible Equity Shareholders of the Target Company to whom the Letter of Offer would be sent
Income Tax Act / I.T.	Income Tax Act, 1961
ISIN	International Securities Identification Number
Independent Valuer	FCA Payal Gada of M/s Payal Gada & Co., Chartered Accountants having office at S-15, Second Floor, Sej Plaza, Marve Road, Malad (West), Mumbai 400 064. Email – payal@payalgadaco.in; Tel. No. +91-22-2801 2075
Letter of Offer / LOF	Letter of Offer dated October 14, 2020
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
Manager to the Offer	Systematix Corporate Services Limited
MOA	Memorandum of Association
MPS	Minimum Public Shareholding as defined in SCRR; which is 25% in case of the Target Company

NRI(s)	Non-Resident Indian(s) and persons of Indian origin residing abroad
No.	Number
NA/N.A.	Not Applicable
Newspapers	The detailed public statement in connection with the Offer, published on behalf of the Acquirer and the PACs on Monday, August 31, 2020 in the following newspapers: (a) Financial Express (all editions); (b) Jansatta (all editions); and (c) Mumbai Lakshadeep (Mumbai edition).
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies
Offer / Open Offer	Open offer being made by the Acquirer to the Eligible Equity Shareholders of the Target Company to acquire up to 1,55,64,120 (One Crore Fifty Five Lakh Sixty Four Thousand One Hundred and Twenty Only) Equity Shares, representing 26% of the Diluted Share and Voting Capital, at a price of Rs. 3.00/- (Rupees Three only) per Equity Share
Offer Period	The period between the date on which the Board of Directors of the Target Company has approved to issue and allot Equity Shares and Warrants to the Acquirer and the PACs and the date on which the payment of consideration to the Eligible Equity Shareholder whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	Rs. 3.00/- (Rupees Three only) for each fully paid-up Equity Shares payable in cash to the shareholders of the Target Company
Offer Size / Open Offer Equity Shares	Up to 1,55,64,120 Equity Shares of the face value of Re. 1/- each representing 26% of the Diluted Share and Voting Capital of Target Company as of the tenth working day from the closure of the Tendering Period
PAC 1	Mrs. Farheen Murtuza Mansoorbhai
PAC 2	Mrs. Shivani Sharda Sharma
PACs	Collectively, the PAC 1 and the PAC 2
PAC / 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
PAN	Permanent Account Number
Physical Holders	Shareholders of the Target Company who are holding Equity Shares in physical form
Public Announcement / PA	The public announcement in connection with the Offer dated August 24, 2020 issued by the Manager to the Offer on behalf of the Acquirer and the PACs, in relation to this Offer and e-filed with the BSE and the Target Company and uploaded SEBI's portal on Monday, August 24, 2020
Pre-Issue Share Capital	Paid up Equity Share Capital of the Target Company prior to the proposed Preferential Issue is Rs.2,02,98,000 divided into 2,02,98,000 Equity Shares of Re.1.00/- each
Preferential Issue/Proposed Preferential Issue	The Preferential Allotment as approved by the Board of Directors of the Target Company at their meeting held on August 24, 2020, by the shareholders' of the Target Company by way of Postal Ballot on September 30, 2020 and subsequent receipt of "in-principle Approval" Letter dated October 05, 2020 from BSE for Issue and Allotment of 2,74,64,000 fully paid up Equity Shares of face value of Re.1.00/- each at Rs 3.00/- Per Equity Share for 'Cash' to the Acquirer, the PACs and Public and also 1,21,00,000 Warrants for 'Cash' to the Acquirer, PAC 1 and Public.
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	Satellite Corporate Services Private Limited, Mumbai
ROC	Registrar of Companies
₹/ Rs. / Rupee(s) / INR	Indian Rupees, the legal currency of India
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 Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations, 2011 / Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 and subsequent amendments thereto
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

Settlement Date	The date on which bids/Equity Shares accepted in the Offer shall be squared-off
Sl. No.	Serial Number
Special Account	Opened for the purpose of making payment to the Buying Broker
Stock Exchange	BSE
STT	Securities Transaction Tax
Target Company	Welcon International Limited, Mumbai
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
Working Day(s)	Working days of SEBI as defined in the SEBI (SAST) Regulations

Note: All terms beginning with a capital letter used in this Letter of Offer, and not specifically defined herein, shall have the same meanings as described to them in the SEBI (SAST) Regulations.

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2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF WELCON INTERNATIONAL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE PACs 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 LOF. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LOF, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER AND THE PACs DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, SYSTEMATIX CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 07, 2020 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

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3. DETAILS OF THE OFFER

3.1. BACKGROUND OF THE OFFER

- 3.1.1. This Offer is a “Mandatory Offer” under the Regulation 3(1) and 4 of the SEBI (SAST) Regulations being made jointly by the Acquirer and 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.
- 3.1.2. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of the Equity Shares.
- 3.1.3. The Board of Directors of the Target Company in the meeting held on August 24, 2020, shareholders’ of the Target Company by way of Postal Ballot on September 30, 2020 and subsequent receipt of “in-principle” Approval Letter dated October 05, 2020 from BSE for issue and allotment on a preferential basis 2,74,64,000 Equity Shares and 1,21,00,000 Convertible Warrants (“Warrants”) of the Target Company at a price of Rs. 3.00/- (Rupees Three only) per Equity Shares aggregating to Rs. 11,86,92,000 representing 66.09% of the Diluted Share and Voting Capital of the Target Company on preferential basis to the Acquirer, the PACs and Others (public shareholders) for “Cash”.
- 3.1.4. The detailed proposed allotment of Equity Shares and Warrants of the Target Company at a price of Rs.3.00/- per Equity Share and Warrants for Cash are tabled below:

Name of proposed Allottees	No. of Equity Shares to be allotted of TC under preferential issue for “Cash”	No. of Convertible Warrants to be allotted of TC under preferential issue for “Cash”	Total Number of Equity Shares and Warrants held in TC Post Pref. Issue	% of Total Number of Equity Shares on Diluted Share and Voting Capital
	A	B	C = A+B	D = % of C
1. Acquirer	50,00,000	37,50,000	87,50,000	14.62%
2. PAC 1	50,00,000	37,50,000	87,50,000	14.62%
3. PAC 2	10,00,000	0	10,00,000	1.67%
4. Others* (Public)	1,64,64,000	46,00,000	2,10,64,000	35.19%
Grand Total (1+2+3+4)	2,74,64,000	1,21,00,000	3,95,64,000	66.09%

*None of the shareholders under ‘Others’ or ‘public category’ constituting 35.19% of the Diluted Share and Voting Capital is triggering the threshold of open offer due to allotment. Kindly note that two allottee (on individual basis) under the ‘Public Category’ is proposed to allot a maximum of 23,00,000 Warrants each aggregating to 3.84% of the Diluted Share and Voting Capital of the Target Company and there are certain proposed allottees under “Public Category” who alongwith their pre-preferential issue shareholding and shares held by persons acting in concert (PACs) with them (on a “group” basis) subscribing a maximum of 5.75% of Diluted Share and Voting Capital. Further, no such proposed allottees alongwith their PACs (i.e. group) are acting in concert with other members who are subscribing to the Equity Shares and/or Warrants under the proposed preferential issue including the Acquirer and PACs to the Offer.

- 3.1.5. This Offer is made by the Acquirer along with the PACs due to the proposed issue & allotment of 1,10,00,000 Equity Shares and 75,00,000 Convertible Warrants of the Target Company at a price of Rs. 3.00/- (Rupees Three only) per Equity Shares and Warrants aggregating to Rs. 555.00 Lakh representing 30.90% of the Diluted Share and Voting Capital of the Target Company.
- 3.1.6. The Acquirer and the PACs shall achieve substantial acquisition of Equity Shares and voting capital, accompanied with effective management control over the Target Company after completion of the proposed Open Offer. The main object of this acquisition is to acquire substantial stake and management control of the Target Company in compliance with the SEBI (SAST) Regulations.

- 3.1.7. By virtue of the above proposed acquisitions, the Acquirer 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 SEBI (SAST) Regulations.
- 3.1.8. The Equity Shares and Convertible Warrants proposed to be issued under the Proposed Preferential Issue, if allotted to the Acquirer and the PACs, during the Offer Period, shall be kept in a separate 'DP Escrow Account' in compliance with Regulation 22(2A) of the SEBI (SAST) Regulations. The Registrar to the Offer will have the right to operate the DP Escrow Account and the Acquirer and the PACs will not exercise any voting rights over the said Equity Shares kept in the DP Escrow Account. Upon fulfillment of all the Offer related formalities, the said Equity Shares and Convertible Warrants will be transferred to the respective DP accounts of the Acquirer and the PACs and the DP Escrow Account will be closed thereafter.
- 3.1.9. Pursuant to DP Escrow Agreement dated August 24, 2020, a Demat Escrow Account in the name and style "Welcon International Limited– Open Offer Account – Operated by Satellite" is opened with Systematix Shares and Stocks (India) Limited prior to allotment under the preferential issue.
- 3.1.10. The Persons Acting in Concert ("PAC") with the Acquirer within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations in relation to this Offer is disclosed at para 4.2 and 4.3 on Page 15 and Page 16 respectively of the LOF.
- 3.1.11. The Proposed change in control of the Target Company is not through any Scheme of Arrangement.
- 3.1.12. The Acquirer and the PACs reserve the right to nominate someone representing them to be a Director on the Board of the Target Company during the Offer Period in accordance with SEBI (SAST) Regulations by depositing 100% of the Maximum Consideration payable under the Offer in the Cash Escrow Account as required under Regulation 24(1) of the SEBI (SAST) Regulations.
- 3.1.13. As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company are required to constitute a committee of Independent Directors to provide reasoned recommendation on this Offer to the Eligible Shareholders. Such recommendation shall be published at least two (2) working days before the commencement of the Tendering Period i.e. Friday, October 23, 2020 in the same newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.
- 3.1.14. The Acquirer and the PACs shall be categorised as "Promoter & Promoter Group" of the Target Company post successful completion of the Open Offer.

3.2. DETAILS OF THE PROPOSED OFFER

- 3.2.1. The public announcement in connection with the Offer was issued by the Manager to the Offer on behalf of the Acquirer and the PACs on Monday, August 24, 2020 and was e-filed with BSE and the Target Company. Simultaneously, the PA was also uploaded on the SEBI's portal on Monday, August 24, 2020.
- 3.2.2. In terms of Regulation 13(4) of the SEBI (SAST) Regulations, the DPS dated August 29, 2020 was published on Monday, August 31, 2020 i.e. within 5 (five) Working Days of the date of PA in the following newspapers:

Sl. No.	Newspapers	Language	Editions
1.	The Financial Express	English	All Editions
2.	Jansatta	Hindi	All Editions
3.	Mumbai Lakshadeep ⁵	Marathi	Mumbai Edition

⁵Where Equity Shares of the Target Company are listed and where Regd. Office of the Target Company is situated.

- 3.2.3. Simultaneously, in accordance with the provisions of Regulation 14(4) of the SEBI (SAST) Regulations, a copy of the DPS was sent through email by the Manager to the Offer to: (i) SEBI; (ii) BSE and (iii) the Target Company on Monday, August 31, 2020.

- 3.2.4. Pursuant to SEBI's Observations Letter dated October 08, 2020; the Manager to the Offer has released a Corrigendum to the DPS ("**Corrigendum**") on Monday, October 12, 2020 in the same newspapers in which DPS was released and the same is e-filed with the SEBI, the BSE and the Target Company.
- 3.2.5. A copy of the PA, DPS and Corrigendum are available on the website of the SEBI (www.sebi.gov.in).
- 3.2.6. The Acquirer and the PACs have jointly made the Offer in accordance with the Regulation 3(1) and 4 of the SEBI (SAST) Regulations to all the Eligible Equity Shareholders of the Target Company for the acquisition of 1,55,64,120 Equity Shares representing 26% of the Diluted Share and Voting Capital of the Target Company in accordance with the provisions of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the DPS and the Letter of Offer which is proposed to be sent to all the Eligible Equity Shareholders in accordance with the provisions of the SEBI (SAST) Regulations. The Diluted Share and Voting Capital have been calculated on the basis of sum of pre-preferential issue capital and the proposed preferential issue.
- 3.2.7. The Offer is being made at a price of Rs. 3.00/- (Rupees Three only) per Equity Share and will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations. All Equity Shares accepted in the Open Offer shall be acquired by the Acquirer and PAC 1 equally.
- 3.2.8. As on the date of this Letter of Offer, there are no partly paid-up Equity Shares in the Target Company.
- 3.2.9. As on the date of this Letter of Offer, there are no outstanding convertible instrument except that are proposed to be issued by the Target Company in the preferential issue and that shall be converted into Equity Shares on later date.
- 3.2.10. The Offer is being made to all the Shareholders of the Target Company except the Acquirer and the PACs. The Equity Shares of the Target Company under the Offer will be acquired equally by the Acquirer and the PAC 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.
- 3.2.11. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations and there is no competing offer to this Offer. .
- 3.2.12. This Offer is not conditional on any minimum level of acceptance by the Eligible Equity Shareholder. Further, there is no differential pricing for this Offer.
- 3.2.13. The Acquirer and the PACs have not acquired any Equity Shares of the Target Company after the date of PA.
- 3.2.14. The Acquirer and the PACs undertake that they will not tender any Equity Shares in this Offer.
- 3.2.15. The Acquirer and the PACs undertake not to sell the Equity Shares of the Target Company held by them during the "Offer Period" in terms of Regulation 25(4) of the SEBI (SAST) Regulations.
- 3.2.16. The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this LOF. The Manager to the Offer further declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.
- 3.2.17. As per Regulation 38 of the SEBI (LODR) Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (twenty-five per cent) public shareholding, as determined in accordance with the SCRR, on a continuous basis for listing. The acquisition of Equity Shares pursuant to this Offer, together with the Equity Shares acquired pursuant to the Preferential Issue, shall not result in public shareholding in the Target Company falling below the level required for continued listing as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**").

3.3. OBJECT OF THE ACQUISITION / OFFER

- 3.3.1. This Offer is being made to the public shareholders of Target Company pursuant to and in compliance with regulation 3(1) and 4 of the SEBI (SAST) Regulations.
- 3.3.2. The Acquirer and the PACs shall achieve substantial acquisition of Equity Shares and voting capital, accompanied with effective management control over the Target Company after completion of the proposed Open Offer. The main object of this acquisition is to acquire substantial stake and management control of the Target Company in compliance with the SEBI (SAST) Regulations.
- 3.3.3. The Acquirer and the PACs intend to seek the change of the name and main objects of the Target Company subject to necessary approvals. The Acquirer and the PACs 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.
- 3.3.4. The Acquirer and the PACs will discontinue the existing line of business of the Target Company if members' approval is obtained or may diversify business activities in future subject to prior approval/consent of the shareholders and subject to approval of the requisite statutory authorities. 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 Acquirer and the PACs cannot ascertain the repercussions, if any, on the employees and locations of the business place of Target Company.
- 3.3.5. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and the PACs 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 Acquirer and the PACs 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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4. BACKGROUND OF THE ACQUIRER AND THE PACs

4.1 Mr. Murtuza Mansoorbhai (“Acquirer”)

- 4.1.1 Mr. Murtuza Mansoorbhai S/o Mr. Mansoorbhai Fazal Hussain is a 47 year old Resident Indian resides at 5/2, Akar Builders, Chindwara Road, Chitnavis Layout, Byramji Town, Katol Road, Nagpur – 440 013, Maharashtra, India. Tel. No. +91 9823522223; Email: muzaliarts@gmail.com.
- 4.1.2 Acquirer has not changed / altered his name at any point of time during his life.
- 4.1.3 Acquirer carries a valid passport of Republic of India and also holds a Permanent Account Number (“PAN”) bearing number ASQPM1388M in India. Acquirer is HSC Qualified and is Partner at Muzali Arts dealing in the fields of Antiques, Sculpture, Artifacts and also Interior & Exterior designing including Landscape for Hotels, Resorts and Restaurants etc. for the last 20 years. Acquirer does not belong to any group.
- 4.1.4 Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other regulations made under the SEBI Act, 1992.
- 4.1.5 Acquirer does not hold directorship in any Company.
- 4.1.6 Acquirer does not hold any Equity Shares of the Target Company as on date of this LOF. However, Acquirer is going to acquire 50,00,000 Equity Shares and 37,50,000 Convertible Warrants in the Preferential Issue of the Target Company.
- 4.1.7 C.A. Lalit Dave (Membership No.158110), Partner of Agarwal Dave and Co. (Firm Registration No. 024554N), having their office located at 306, 3rd Floor, Honey Indra Tower, Big Bazaar Road, Shastri Nagar Square, Beside Unnati Motors, Nagpur – 440008, Maharashtra, India, Tel. No. 08446581165; Email:calalitdave@gmail.com, has certified vide certificate dated August 20, 2020 that the net worth of Acquirer is Rs. 9,03,95,756/- (Rupees Nine Crore Three Lakh Ninety Five Thousand Seven Hundred and Fifty Six only).
- 4.1.8 As of the date of this LOF, Acquirer does not have any interest in the Target Company, save and except the transaction contemplated in the Preferential Issue, subscription of Equity Shares and Warrants and control of the Target Company that has triggered the Open Offer.

4.2 Mrs. Farheen Murtuza Mansoorbhai (“PAC 1”)

- 4.2.1 Mrs. Farheen Murtuza Mansoorbhai W/o Mr. Murtuza Mansoorbhai is a 43 year old Resident Indian resides at 5/2, Akar Builders, Chindwara Road, Chitnavis Layout, Byramji Town, Katol Road, Nagpur – 440 013, Maharashtra, India. Tel. No. +91 9823522223; Email: deepalihsn@gmail.com.
- 4.2.2 PAC 1 has changed her name to Farheen Murtuza Mansoorbhai from Deepali Dilip Singh Sinha post marriage.
- 4.2.3 PAC 1 carries a valid passport of Republic of India and also holds a PAN bearing number ASQPM1369Q in India. PAC 1 has done Bachelor of Arts and is Partner at Muzali Arts dealing in the fields of Antiques, Sculpture, Artifacts and also Interior & Exterior designing including Landscape for Hotels, Resorts and Restaurants etc. for the last 20 years. PAC 1 does not belong to any group.
- 4.2.4 PAC 1 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other regulations made under the SEBI Act, 1992.
- 4.2.5 PAC 1 does not hold directorship in any Company.
- 4.2.6 PAC 1 does not hold any Equity Shares of the Target Company as on date of this LOF. However, PAC 1 is going to acquire 50,00,000 Equity Shares and 37,50,000 Convertible Warrants in the Preferential Issue of the Target Company.

4.2.7 C.A. Lalit Dave (Membership No.158110), Partner of Agarwal Dave and Co. (Firm Registration No. 024554N), having their office located at 306, 3rd Floor, Honey Indra Tower, Big Bazaar Road, Shastri Nagar Square, Beside Unnati Motors, Nagpur – 440008, Maharashtra, India, Tel. No. 08446581165; Email:calalitdave@gmail.com, has certified vide certificate dated August 20, 2020 that the net worth of PAC 1 is Rs. 7,09,69,180/- (Rupees Seven Crore Nine Lakh Sixty Nine Thousand One Hundred and Eighty only).

4.2.8 As of the date of this LOF, PAC 1 does not have any interest in the Target Company, save and except the transaction contemplated in the Preferential Issue, subscription of Equity Shares and Warrants and control of the target company that has also triggered the Open Offer.

4.3 Mrs. Shivani Sharda Sharma (PAC 2)

4.3.1 Mrs. Shivani Sharda Sharma W/o Mr. Vinay Sharma is a 29 year old Non Resident Indian resides at Polo Residence C1 Building, Meydan – Dubai (U.A.E). Tel. No. +971562282082; Email: shivanisharda91@gmail.com.

4.3.2 PAC 2 has not changed / altered her maiden name at any point of time during her life. However, PAC 2 name was changed from Shivani Sharda to Shivani Sharda Sharma post marriage.

4.3.3 PAC 2 carries a valid passport of Republic of India and also holds a PAN bearing number ILDPS4888E in India. PAC 2 has done Bachelor of Technology in discipline of Food Technology from Punjab Agricultural University and is currently working with ADCB Bank, Dubai as Manager in the field of Banking and Finance for last 5 Years. PAC 2 does not belong to any group.

4.3.4 PAC 2 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other regulations made under the SEBI Act, 1992.

4.3.5 PAC 2 does not hold directorship in any Company.

4.3.6 PAC 2 does not hold any Equity Shares of the Target Company as on date of this LOF. However, PAC 2 is going to acquire 10,00,000 Equity Shares in the Preferential Issue of the Target Company.

4.3.7 C.A. Lalit Dave (Membership No.158110), Partner of Agarwal Dave and Co. (Firm Registration No. 024554N), having their office located at 306, 3rd Floor, Honey Indra Tower, Big Bazaar Road, Shastri Nagar Square, Beside Unnati Motors, Nagpur – 440008, Maharashtra, India, Tel. No. 08446581165; Email:calalitdave@gmail.com, has certified vide certificate dated August 20, 2020 that the net worth of PAC 2 is Rs. 2,02,02,058/- (Rupees Two Crore Two Lakh Two Thousand and Fifty Eight only).

4.3.8 As of the date of this LOF, PAC 2 does not have any interest in the Target Company, save and except the transaction contemplated in the Preferential Issue subscription of Equity Shares and control of the Target Company that has triggered the Open Offer, PAC 2 does not have any other relationship/interest in the Target Company.

4.3.9 PAC 2 is not categorized as a wilful defaulter by any bank or financial consortium in India or in UAE.

4.4 Undertakings / Confirmation by the Acquirer and the PAC

4.4.1 Neither the Acquirer nor the PACs nor any of the entities with which they are associated, are in securities related business and registered with SEBI as a 'Market Intermediary'.

4.4.2 The Acquirer and PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of SEBI Act or under any other regulations made under the SEBI Act.

4.4.3 Based on the information available, the Acquirer and the PACs have not been declared as a fugitive economic offender under section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018) as per Regulation 2(1) (ja) of SEBI (SAST) Regulations.

- 4.4.4 The Acquirer and the PACs have not been categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.
- 4.4.5 The Acquirer and PACs undertake that if they acquire any Equity Shares of the Target Company during the Offer Period, they will inform to 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 SEBI (SAST) Regulations.
- 4.4.6 All Open Offer Shares that are validly tendered and accepted in the Offer shall be jointly subscribed by the Acquirer and the PAC 1 equally.
- 4.4.7 There are no directions subsisting or proceedings pending against the Acquirer and the PACs under SEBI Act, 1992 and regulations made thereunder.
- 4.4.8 The Acquirer and PACs do not have any relationship with the Target Company and/or existing promoter/promoter group of the Target Company.

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5. BACKGROUND OF THE TARGET COMPANY - WELCON INTERNATIONAL LIMITED

- 5.1 Welcon International Limited was originally incorporated as “Sinner Energy India Limited” as a Public Limited Company under the Companies Act, 1956 vide Certificate of Incorporation date February 22, 1995 and Certificate of Commencement of Business dated May 16, 1995 issued by Registrar of Companies, Maharashtra, Mumbai. Later, name of the Company was changed to “Welcon International Limited” vide fresh certificate of incorporation dated December 11, 2018. The Corporate Identification Number of the Target Company is L45100MH1995PLC322040.
- 5.2 The Registered Office of the Target Company is situated at SH- 11, V Star Plaza, Plot No. 16 CTS No. 606A 606A/1 to 22, Chandavarkar Road, Borivali West, Mumbai – 400092, Maharashtra, India. Tel. No. +91-8655012379; Email:welconinternationaltd@gmail.com, Web: www.welconinternational.com.
- 5.3 The Target Company is engaged in the business of contractors, Builders, Town planners, Infrastructure developers, Estate developers and Engineers land developers, Land Scrapers, Estate agents, Immovable property dealers and to acquire, buy, purchase, hire or otherwise lands, buildings, civil works immovable property of any tenure or any interest in the same and to erect and construct, houses, flats, bungalows, Malls, Commercial Complex or civil work.
- 5.4 The Shareholders of the Target Company by way of Postal Ballot on September 30, 2020 have inter-alia approved the following in relation to the Offer:
- i. Increase in Authorised Share Capital of the Company from Rs. 5,00,00,000/- (Rupees Five Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Re. 1/- (Rupee One) each to Rs. 6,00,00,000/- (Rupees Six Crore only) divided into 6,00,00,000 (Six Crore) Equity Shares of Re.1/- (Rupee One only) each.
 - ii. Change of Object Clause of the Memorandum of Association to “To carry on in India or elsewhere the business to manufacture, develop, fabricate, finish, manipulate and to act as importer, exporter, buyer, seller, job worker of wooden beading and mouldings, wooden packing cases, and to carry on either alone or jointly with one or more persons, government, local or other bodies, the business of, to undertake interior work, inter designers, erection and installation and to act as civil engineers, contractors, Traders & wholesalers of all type of goods, Art Gallery, Art house, Auction House, interior decorators, Exhibitors, consultants, advisors, contractors, turnkey contractors and managers, and to do all incidental acts and things necessary for the attainment of the above objects.”
 - iii. Change of Name from “Welcon International Limited” to "Muzali Arts Limited" or such other name as may be made available.
 - iv. Shifting of Registered Office from Mumbai (Maharashtra) to Nagpur (Maharashtra) having its present location at SH- 11, V Star Plaza, Plot No. 16, CTS No. 606A, 606A/1 to 22, Chandavarkar Road, Borivali West, Mumbai – 400 092, Maharashtra to Plot No. 3, B-44, Near Manav Mandir, Kantol Road, Yerla, Nagpur – 441501, Maharashtra i.e. within the limits of the same State.
- The Target Company has already filed relevant forms with Registrar of Companies. However, approval from ROC is not yet received.
- 5.5 The total Issued, Subscribed and Paid-up Equity Share Capital of the Target Company as on date of the LOF is Rs.2,02,98,000 (Rupees Two Crore Two Lakh and Ninety Eight Thousand Only) divided into 2,02,98,000 Equity Shares of Re.1/- each fully paid up. As on date of this LOF, there are no outstanding warrants/ convertible securities or partly paid-up shares in the Target Company apart from the proposed issue by the Target Company in the preferential allotment and that shall be converted into Equity Shares on later date.
- 5.6 The Equity Shares of the Target Company are currently listed on the BSE Ltd, Mumbai (“BSE”) having a Scrip Code as **539410** and Symbol as **WELCON**. The ISIN of Equity Shares of the Target Company is **INE873S01022**. The Equity Shares of the Target Company are currently not suspended from trading on BSE.

5.7 The Existing Share Capital Structure of the Target Company as on the date of this LOF, is as follows:

Paid up Equity Shares of Target Company	No. of Shares/Voting Rights	% of Equity Shares / Voting Rights
Fully Paid Up Equity Shares	2,02,98,000	100%
Partly Paid Up Equity Shares	--	--
Total Paid Up Equity Shares	2,02,98,000	100%
Total voting rights in Target Company	2,02,98,000	100%

5.8 As of the date of this Letter of Offer, no outstanding convertible securities (such as depository receipts, fully convertible debentures or warrants) issued by the Target Company which are convertible into Equity Shares of the Target Company, apart from the proposed issue by the Target Company in the preferential allotment and that shall be converted into Equity Shares on later date.

5.9 The Equity Shares of the Target Company are infrequently traded within meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

5.10 The entire issued, subscribed and paid up share capital of the Target Company is listed on the Stock Exchange. There are no outstanding shares of the Target Company that have been issued but not listed on the Stock Exchange. The trading of the Equity Shares of the Target Company is currently not suspended on Stock Exchange. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.

5.11 As on the date of this Letter of Offer, the following are on the Board of Directors of the Target Company:

Sr. No.	Name	DIN	Address	Designation	Date of Appointment
1.	Mahesh Jagdevrao Raut	00036179	Sumitra Niwas, 2nd Floor, R No.24, Kisan Nagar No.3, Road No.16, Waghle Estate, Thane 400604	Managing Director	December 10, 2005
2.	Vidhi Dinesh Shambwani*	07161506	Plot-1, Shivam Satellite Soc, Nr. Milan Park, Vastrapur Ahmedabad 380015	Independent Director	March 31, 2015
3.	Jaymin Piyushbhai Modi	07352950	C-111, Saraswatrikupa CHSL, Opp Nirmal Park Bhayander East Thane Mumbai 401105	Independent Director	February 12, 2016
4.	Mohil Dilipkumar Khetani	07932168	B/41, Pushpa Park, S. V. Road, Near Korakendra, Borivali West Mumbai 400092	Director and Chief Financial Officer	August 17, 2017

**Name of Mrs. Mala Brijlal Lalchandani was changed to Mrs. Vidhi Dinesh Shambwani post marriage.*

Note: None of the directors mentioned in the table above are representatives of the Acquirer and the PACs. Neither of them is related to the Acquirer and the PACs in any manner whatsoever.

5.12 There has been no merger, demerger, amalgamation or spin-off during the last 3 years involving the Target Company.

- 5.13 As on the date of this Letter of Offer, the Target Company does not have any Subsidiary or Holding Company.
- 5.14 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 V of the SEBI (ICDR) Regulations, 2018, there are no Equity Shares of the Target Company that are “locked-in” as on the date of this LOF.
- 5.15 The Target Company including its directors has not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act. The Target Company is not an Insolvent applicant under Insolvency and Bankruptcy Code, 2016.
- 5.16 The Target Company including its directors are not in the list of ‘wilful defaulters’ issued by any bank, financial institution, or consortium thereof in accordance with guidelines on wilful defaulters issued by RBI.
- 5.17 There are no directions subsisting or proceedings pending against the Target Company under SEBI Act, 1992 and regulations made thereunder.
- 5.18 The key financial information of the Target Company based on its audited financials for Financial Year ended March 31, 2020, March 31, 2019 and March 31, 2018 and unaudited limited reviewed financials for the quarter ended on June 30, 2020 are set out as follows:

(₹ in Lakh except EPS)

Particulars	For the Quarter ended June 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	Unaudited	Audited	Audited	Audited
Profit & Loss Account				
Income from Operations	-	377.35	1,589.16	881.75
Other Income	20.32	82.28	134.35	33.52
Total Income	20.32	459.64	1,723.51	915.27
Total Expenditure <i>(Refer Note 1)</i>	13.29	385.93	1,685.48	799.65
PBDIT	7.03	73.70	38.03	115.62
Depreciation	-	-	0.15	0.15
Interest	-	16.88	24.23	6.11
Profit/(Loss) Before Tax	0.61	56.82	13.65	109.35
Provision for Tax	-	15.34	3.52	30.13
Deferred Tax	-	-	0.11	(0.27)
Profit/(Loss) After Tax	0.61	41.48	10.01	79.49
Other Comprehensive Income <i>(Refer Note 2)</i>	2.43	1.19	-	-
Total Comprehensive Income	8.84	42.67	10.01	79.49
Balance Sheet Statement				
Sources of Funds				
Paid up Share Capital	-	202.98	202.98	202.98
Reserves and Surplus	-	256.14	213.46	217.23
Net worth	-	459.12	416.44	420.21
Secured Loans	-	-	-	-
Unsecured Loans	-	202.77	257.27	247.43
Total	-	661.88	673.72	667.64
Uses of Funds				
Net Fixed Assets	-	0.61	0.72	0.87
Investments	-	40.53	-	-
Current Loan and Advances	-	1,024.88	1,411.99	901.88

Current Assets (Other than Loan and Advances)	-	39.28	21.04	312.16
Current Liabilities	-	(443.70)	(760.31)	(547.67)
Net Current Assets	-	(404.42)	(739.28)	(235.51)
Total Miscellaneous Expenses not Written Off	-	-	-	-
Deferred Tax Assets	-	0.28	0.28	0.40
Total	-	661.88	673.72	667.64
Other Financial Data				
Dividend (%)	-	NIL	NIL	NIL
Earnings Per Share in (in Rs) (Basic & Diluted)	0.03	0.20	0.05	0.39
Return on Net worth (%)	-	0.09	0.02	0.19
Book Value Per Share (in Rs)	-	2.26	2.05	2.07

Notes:

1. *Exclusive of Depreciation and Interest.*
2. *Other Comprehensive Income includes realised and unrealised gain/loss on Equity Instruments.*

5.19 There are no major contingent liabilities on the Target Company as per the last audited financials ended on March 31, 2020.

5.20 Mrs. Jyoti Yadav is the Company Secretary and Compliance Officer of the Target Company and she can be reached at the Company's contact details and Email-Id mentioned below:

Tel. No. : +91-8655012379

Email: welconinternationaltd@gmail.com

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5.21 Pre and Post Offer Shareholding Pattern of the Target Company as on date of this LOF is and shall be as follows:

Shareholders' Category	Equity Shares/voting rights prior to the Pref. Issue and this Offer		Equity Shares/voting rights agreed to be acquired pursuant to the allotment under Pref. Issue which triggered the SEBI (SAST) Regulations, 2011 (Assuming full acceptances)		Equity Shares/voting rights to be acquired in this Offer (Assuming full acceptances)		Shareholding/ voting rights after the acquisition under the Pref. Issue and this Offer (Assuming full acceptances)	
	A		B		C		A+B+C=D	
	Number of Equity Shares	% of Equity Share & Voting Capital	Number of Equity Shares (including Warrants)	% of Diluted Share & Voting Capital	Number of Equity Shares (including Warrants)	% of Diluted Share & Voting Capital	Number of Equity Shares (including Warrants)	% of Diluted Share & Voting Capital
(1) Promoter and Promoter Group								
a) Parties to agreement, if any	0	0.00%	0	0.00%	0	0.00%	0	0.00%
b) Promoter other than (a) above	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total 1 (a+b)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
(2) Acquirer and PAC								
a) Acquirer	0	0.00%	8,750,000*	14.62%	7,782,060	13.00%	16,532,060	27.62%
b) PAC 1	0	0.00%	8,750,000*	14.62%	7,782,060	13.00%	16,532,060	27.62%
c) PAC 2		0.00%	1,000,000	1.67%	0	0.00%	1,000,000	1.67%
Total 2 (a+b+c)	0	0.00%	18,500,000	30.90%	15,564,120	26.00%	34,064,120	56.90%
(3) Parties to agreement other than 1 (a) & (b)	0	0.00%	0	0.00%	0	0.00%	0	0.00%
(4) Public (other than parties to the agreement)								
a) Institutions	1,015,000	5.00%	41,362,000**	69.10%	-15,564,120	-26.00%	25,797,880	43.10%
b) Central/State Govt.	0	0.00%						
c) Non-Institutions	19,283,000	95.00%						
Total (4) (a+b+c)	20,298,000	100.00%	41,362,000	69.10%	-15,564,120	-26.00%	25,797,880	43.10%
Grand Total (1+2+3+4)	20,298,000	100.00%	59,862,000	100.00%	0	0.00%	59,862,000	100.00%

*Includes 50,00,000 Equity Shares and 37,50,000 Warrants .

**Includes 1,64,64,000 Equity Shares and 46,00,000 Warrants.

5.22 The Acquirer and PACs have not acquired any Equity Shares of the Target Company after the date of PA, i.e. August 24, 2020 and up to the date of this LOF.

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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 a mandatory offer made in accordance with Regulation 3(1), 4 and other applicable regulations of the SEBI (SAST) Regulations. The Offer is made for the acquisition of up to 26% of the Diluted Shares and Voting rights pursuant to the Preferential Issue accompanied with a change in control of the Target Company.

6.1.2 The Equity Shares of the Target Company are currently listed and traded on the BSE Ltd, Mumbai ("BSE").

6.1.3 The annualized trading turnover of the Equity Shares traded during the twelve calendar months preceding August 2020, the month in which PA was made, is as given below:

Name of the Stock Exchange	Total number of Equity Shares traded during twelve calendar months preceding to August 2020	Total Number of Listed Equity Shares on Stock Exchange	Trading Turnover (in terms of % to Total Listed Equity Shares)
BSE	2,54,354	2,02,98,000	1.25%

Source: www.bseindia.com

6.1.4 Based on above, the Equity Shares of the Target Company are infrequently traded on BSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

6.1.5 The Offer Price of Rs. 3.00/- (Rupees Three only) per Equity Share is justified in terms of Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations as it is higher of the following:

(a)	Highest Negotiated Price per equity share for any acquisition under the Agreement attracting the obligation to make the PA	Not Applicable
(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	Not Applicable
(e)	The price determined by taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Rs. 2.64/-*

* An extract of the report by CA Payal Gada (Membership No. 110424) proprietor M/s Payal Gada & Co. (Firm Regn. No.148529W) having office at S-15, Sej Plaza, Marve Road, Malad (W), Mumbai 400 064, Maharashtra dated August 24, 2020 is reproduced below :

Valuation Methods	Valuation Approach	Value in INR/Equity Share	Weight	Value * Weights = Total
Net Worth Method	Cost/Asset	2.26	50.00%	1.13
Earnings/Yield Method (Comparable Companies' Multiple Method)	Income/Market	3.02	50.00%	1.51
Market Value Method	Market	##	0.00%	0.00
Total (INR)				2.64
Value (INR/Share)				2.64
##Market Price Method is not considered as the Shares of the Company are Infrequently Traded				

6.1.6 The Offer Price of Rs. 3.00/- (Rupees Three Only) per Equity Share is justified in terms of Regulations 8(2) of SEBI (SAST) Regulations. The Offer Price is denominated and payable in Indian Rupees only.

- 6.1.7 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.
- 6.1.8 If the Acquirer 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 Acquirer and the PACs 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 SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of Equity Shares of the Target Company whether by way of bulk deals, block deals or in any form.
- 6.1.9 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 Acquirer and the PACs will comply with all the provisions of the Regulation 18(5) of the SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price or Offer Size. If there is any revision in the Offer Price on account of future purchases or competing offers, such revision will be done only up to the period prior to commencement of last Working Day before the commencement of the Tendering Period of this Offer in accordance with Regulation 18(4) and Regulation 18(5) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs shall:
- make corresponding increase to the escrow amount;
 - make a public announcement in the same newspapers in which DPS has been published; and
 - Simultaneously with the issue of such public announcement, will inform/email to the SEBI, the BSE and the Target Company at its registered office of such revision.
- The revised Offer Price would be paid to all the Eligible Equity Shareholders whose Equity Shares are accepted under the Offer.
- 6.1.10 If the Acquirer and the PACs acquire or agree to acquire any Equity Shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations. However, no such acquisition shall be made by the Acquirer and the PACs after 3 Working Days prior to the commencement of the Tendering Period of this Offer and until the expiry of the tendering period of this Offer.

6.2 FINANCIAL ARRANGEMENTS

- 6.2.1 Assuming full acceptance of this Offer, the total fund requirement for the Offer is Rs. 4,66,92,360/- (Rupees Four Crore Sixty Six Lakh Ninety Two Thousand Three Hundred and Sixty only) (**"Offer Consideration"**).
- 6.2.2 In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer, the Manager to the Offer and the Escrow Agent have entered into the Escrow Agreement on August 20, 2020 (the **"Escrow Agreement"**). Pursuant to the Offer Escrow Agreement, the Acquirer has established an escrow account under the name and title of **"Welcon-Open Offer-Cash Escrow Account"** bearing account number 250557781754 with the Indusind Bank Ltd (**"Escrow Agent"**) at its branch located at Premises no. 61, Sonawala Building, Mumbai Samachar Marg, Fort, Mumbai - 400001.
- 6.2.3 The Acquirer has deposited a sum of Rs. 1,17,00,000/- (Rupees One Crore Seventeen Lakh only) to the Cash Escrow Account on August 27, 2020 in accordance with the Regulation 17(3)(a) of the SEBI (SAST) Regulations being more than 25% of the total fund obligation for the Offer.
- 6.2.4 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 by the Acquirer to operate and realise the value of Cash Escrow Account in terms of the Regulation 17(5) of the SEBI (SAST) Regulations.
- 6.2.5 The Acquirer and the PACs have adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their networth. C.A. Lalit Dave (Membership No.158110), Partner of Agarwal Dave and Co. (Firm Registration No. 024554N), having their office located at 306, 3rd Floor, Honey Indra

Tower, Big Bazaar Road, Shastri Nagar Square, Beside Unnati Motors, Nagpur – 440008, Maharashtra, India, Tel. No. 08446581165; Email:calaltdave@gmail.com, has certified that the Acquirer and the PACs jointly have sufficient liquid networth to meet the total financial obligations under the Offer vide certificate dated August 24, 2020.

- 6.2.6 In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer and the PACs in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.
- 6.2.7 Based on the aforesaid financial arrangements made by the Acquirer and the PACs and on the confirmations received from the M/s. Agarwal Dave and Co. (Firm Registration No. 024554N), Chartered Accountants; the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PACs to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

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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 alongwith the PACs will acquire all the Equity Shares of the Target Company that are validly tendered and accepted in terms of this Offer upto 1,55,64,120 Equity Shares of Re. 1.00/- each representing 26% of the Diluted Share and Voting Capital of the Target Company. Thus, the Acquirer and the PACs 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 Acquirer and the PACs may refrain themselves to send the LOF to non-resident shareholders holding less than 5% of the Diluted Share and Voting Capital in accordance with Regulation 18(2) of the SEBI (SAST) Regulations since local laws or regulations of any jurisdiction outside India may expose the acquirer or the target company to material risk of civil, regulatory or criminal liabilities in the event the letter of offer in its final form were to be sent without material amendments or modifications into such jurisdiction, and the shareholders resident in such jurisdiction hold shares entitling them to less than five per cent of the voting rights of the target company. 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 along with 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 8 under "Procedure for Acceptance and Settlement" on or before the Closure of the TP.
- 7.1.7 The Acquirer and the PACs shall 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 SEBI (SAST) 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 Satellite Corporate Services Private Limited and the Acquirer and the PACs have appointed them as "Registrar to the Offer". No documents should be sent to the Acquirer, 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 V of the SEBI (ICDR) Regulations, 2018, there are no Equity Shares of the Target Company that are "locked-in" as on the date of this LOF.

The Manager to the Offer ensures that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

All the public shareholders (except the Acquirer and the PACs), whether holding the Equity Shares in physical form or dematerialized form are eligible to participate in this Offer at any time during the tendering period for this Offer.

7.4 STATUTORY APPROVALS

- 7.4.1 The issue of Equity Shares on preferential basis has been approved by the members of the Company by way of Postal Ballot on September 30, 2020. The Company has also received in-principle approval from BSE Limited vide letter bearing number DCS/PREF/PB/PRE/811/2021-21 dated October 05, 2020. However, the approval from the ROC is due for increase in authorised share capital, change of name and change in objects of the Target Company.
- 7.4.2 All Public Shareholders of the Target Company who are either Non-Resident Indian (the “NRIs”) and Overseas Corporate Bodies (the “OCBs”) are subject to approval/exemption, if applicable, from the Reserve Bank of India (“RBI”). NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer.
- 7.4.3 In case of delay in receipt or non-receipt of any statutory approvals which may be required by the Acquirer and the PACs at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and the PACs, to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer subject to the Acquirer and the PACs agreeing to pay interest to the Eligible Equity Shareholders for the delay. However, where the statutory approvals extend to some but not all holders of the Equity Shares of the Target Company, the Acquirer and the PACs have the option to make payment to such holders of the Equity Shares of the Target Company in respect of whom no statutory approvals are required in order to complete this Open Offer.
- 7.4.4 If any of the statutory approvals, are not met for reasons outside the reasonable control of the Acquirer and the PACs, or in the event the statutory approvals are refused, the Acquirer and the PACs, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS is published and such announcement will also be sent to SEBI, BSE and the Target Company at its Registered Office.
- 7.4.5 In the event of withdrawal of this Offer, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS was published and such public announcement will also be sent to the BSE, the SEBI and the Target Company at its registered office/corporate office.

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8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1. The Offer is made to the Public Shareholders as defined in this LOF. All Equity Shareholders whether holding Equity Shares in dematerialized form or physical form, registered or unregistered are eligible to participate in the Offer any time before closure of the Tendering Period.
- 8.2. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in Public Announcement, the DPS and the Letter of Offer. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance-cum Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or the Registrar to the Offer
- 8.3. The Offer will be implemented through Stock Exchange Mechanism made available by BSE in the form of separate window (Acquisition Window) as provided under the SEBI (SAST) Regulations, SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI, as amended from time to time, and notices / guidelines issued by BSE and the Clearing Corporation in relation to the mechanism / process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time.
- 8.4. BSE shall be the designated stock exchange (Designated Stock Exchange) for the purpose of tendering shares in the Offer.
- 8.5. All the Equity Shareholders who desire to tender their Equity Shares under the Offer should consult with their respective depository participants and their respective stock brokers ("**Selling Broker**") well in advance to understand the process and methodology in relation to tendering of Equity Shares through the Designated Stock Exchange.
- 8.6. The Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Equity Shareholders can enter orders for demat Equity Shares. Please note that no physical shares will be accepted under this Open Offer
- 8.7. The Acquirer has appointed Systematix Shares and Stocks (India) Limited ("**Buying Broker**") for the Offer through whom the purchases and settlement of Equity Shares tendered in this Offer shall be made.

Contact details for the Buying Broker are as follows:-

Name: Systematix Shares and Stocks (India) Limited

Address: A Wing, No. 603-606, 6th Floor, The Capital, Plot C 70, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India,

Tel. No. +91-22-6704 8000;

Fax No. +91-22-6704 8029;

Email: compliance@systematixgroup.in;

Contact Person: Mr. Rajkumar Gupta.

- 8.8. During the Tendering Period, the tender of the Equity Shares by the Equity Shareholders in this Offer will be placed through their respective Selling Brokers during normal trading hours of the secondary market.
- 8.9. Shareholders or Seller whose brokers are not registered with BSE are able to tender their Equity Shares through the buyer's broker or the Buying Broker subject to fulfillment of the account opening and KYC of the Buying Broker.
- 8.10. The cumulative quantity tendered shall be displayed on the Designated Stock Exchange website throughout the trading session at specific intervals by the Designated Stock Exchange during Tendering Period.

8.10. Procedure for tendering Equity Shares held in dematerialised form:

- a. The Eligible Equity Shareholders who are holding Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their respective Selling Broker indicating to their Selling Broker the details of Equity Shares they intend to tender in this Offer.
- b. The Eligible Equity Shareholders intending to tender Equity Shares are required to transfer, through their respective depository participants, the Equity Shares intended to be tendered to the early pay-in account of the Indian Clearing Corporation Ltd. ("Clearing Corporation"). Such Eligible Equity Shareholders shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular before their respective Selling Broker places the bids / orders on their behalf and the same shall be validated at the time of order entry.
- c. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than 6:00 PM on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- d. Eligible Equity Shareholders shall submit Delivery Instruction Slips (DIS) duly filled in specifying market type as "Open Offer" and execution date along with all other details to their respective depository participant / Selling Broker so that Equity Shares can be tendered in this Offer.
- e. Upon placing the bid, the Selling Broker(s) shall provide transaction registration slip generated by the Designated Stock Exchange bidding system (TRS) to the Eligible Equity Shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Equity Shares tendered etc.
- f. The Eligible Equity Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.
- g. The Eligible Equity Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum Acknowledgement. The Eligible Equity Shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.

8.11. Procedure for tendering Equity Shares held in Physical form:

In accordance with the Frequently Asked Questions issued by SEBI, "FAQs - Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting" dated February 20, 2020, SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, shareholders holding securities in physical form are allowed to tender shares in open offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations.

The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:-

- a. Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, 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.
- b. Original share certificate(s).
- c. Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.

- d. Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
- e. Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature).
- f. Self-attested copy of address proof such as valid Aadhar Card, Voter I.D., Passport.
- g. The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the 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.
- h. After placement of order, as mentioned above in Point (g), the Selling Broker(s)/ Equity Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as "Welcon International Limited - Open Offer". One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- i. Equity Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- j. In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date.
- k. Equity Shareholders holding Equity Shares in physical mode will be required to fill the respective Forms of Acceptance cum Acknowledgment. Equity Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptance cum Acknowledgment along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance cum Acknowledgment.

8.12. Acceptance of Equity Shares

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

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

- a. Equity Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- b. An Equity Shareholder may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum-Acknowledgment. The Letter of Offer along with a Form of Acceptance-cum-Acknowledgment will be dispatched to all the Equity Shareholders of the Target Company, whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date to the Offer.

- c. In case of non-receipt of the Letter of Offer, such Equity Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. The Letter of Offer along with the Form of Acceptance cum Acknowledgment (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 said website.

8.14. Settlement Process

- a. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.
- b. The settlement of trades will be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.
- c. For Equity Shares accepted under the Offer, the Equity Shareholders will receive funds payout directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, in the event that the pay-outs are rejected by the Equity Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Equity Shareholders. The Equity Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- d. The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- e. The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the Equity Shares tendered under the Offer.
- f. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.
- g. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned back to the Equity Shareholder(s) directly by Registrar to the Offer
- h. The direct credit of Equity Shares will be given to the demat account of Acquirer as indicated by the Buying Broker.
- i. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirer.
- j. In case of partial or non-acceptance of orders the balance demat Equity Shares will be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares will be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- k. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if

directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

- l. If Public Shareholders' bank account details are not available or if the fund transfer instruction is rejected by the RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.
- m. Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Target Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- n. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

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9. NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS AND THE DOUBLE TAXATION AVOIDANCE AGREEMENTS ("DTAA") WITH RESPECTIVE COUNTRIES. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER, PACs AND MANAGER TO OFFER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS SUMMARY. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS SUMMARY OF INCOME TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF EQUITY SHARES IN THE OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA AS SET OUT ABOVE AND THE SAME SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

- 9.1 The basis of charge of Indian income-tax depends upon the residential status of the person subject to tax ("Taxpayer") during a Financial Year and the taxpayer has to pay their taxes in the following year (Assessment Year). The Financial Year for Indian Residents starts from April 01 and ends on March 31. A person who is a resident in terms of Indian Income Tax Act, 1961, ("IT Act") he is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act itself. A person who is treated as a non-resident for the purpose of Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to be accrued or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "Situs" of such shares. "Situs" of the shares is generally where a company is "incorporated".
- 9.2 Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under IT Act.
- 9.3 A Taxpayer who is non-resident for tax purpose under Indian IT Act can avail benefits of the Double Taxation Avoidance Agreement ("DTAA"), between India and the respective country of which the Taxpayer is a resident for tax purpose subject to satisfying relevant conditions including:
 - a. those set out in limitation of benefits provisions present in the said DTAA (if any),
 - b. the non-applicability of General Anti-Avoidance Rules, and
 - c. providing and maintaining necessary information and documents as prescribed under the Income-tax Act.
- 9.4 The summary of income-tax implications on tendering of listed equity shares on the recognized stock exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

- 9.5 As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge and health and education cess are also leviable. The applicable rate of surcharge is dependent on the category of the shareholder and for individual shareholders, income slab rates is applicable. The health and education cess is levied at the rate of 4% of the income tax and surcharge.
- 9.6 Gains arising from the transfer of equity shares may be treated either as “Capital Gains” or as “Business Income” for income-tax purposes, depending upon whether such equity shares were held as a capital asset or business asset (i.e. stock-in-trade).
- 9.7 The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- 9.8 Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the financial year. The summary of income tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.
- Taxability of Capital Gain in the hands of the Public Shareholders:
- The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to Securities Transaction Tax (“STT”) upon both buy and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the Capital Gains tax would be computed on gains exceeding Rs. 1,00,000 (Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any Capital Gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on 35 transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.
 - As per section 111A of the IT Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).
 - Any applicable surcharge and education cess would be in addition to above applicable tax rates.
 - In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirer shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer.
 - In case of non-resident Public Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealers/ tax advisors appropriately.

THE TAX IMPLICATIONS ARE BASED ON PROVISIONS OF THE IT ACT AS APPLICABLE AS ON DATE OF THIS DRAFT LETTER OF OFFER. IN CASE OF ANY AMENDMENT MADE EFFECTIVE PRIOR TO THE DATE OF CLOSURE OF THIS OFFER, THEN THE PROVISIONS OF THE IT ACT AS AMENDED WOULD APPLY. NOTWITHSTANDING THE DETAILS GIVEN ABOVE, ALL PAYMENTS WILL BE MADE TO THE PUBLIC SHAREHOLDERS SUBJECT TO COMPLIANCE WITH PREVAILING TAX LAWS. THE FINAL TAX LIABILITY OF THE PUBLIC SHAREHOLDER SHALL REMAIN OF SUCH PUBLIC SHAREHOLDER AND THE SAID PUBLIC SHAREHOLDER WILL APPROPRIATELY DISCLOSE THE AMOUNTS RECEIVED BY IT, PURSUANT TO THIS OFFER, BEFORE THE INDIAN INCOME TAX AUTHORITIES.

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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 Certificate of Incorporation, MOA & AOA of the Target Company.
- 10.2 Copy of certificate from Agarwal Dave and Co., Chartered Accountants (Firm Membership no.024554N), having office at 306, 3rd Floor, Honey Indra Tower, Big Bazaar Road, Shastri Nagar Square, Beside Unnati Motors, Nagpur – 440008, Maharashtra, India, Tel. No. 08446581165, dated August 24, 2020 certifying that the Acquirer and the PACs has adequate and firm financial resources through verifiable means available for fulfilling the obligations under this Offer.
- 10.3 Copies of annual reports of the Target Company for the financial year ending March 31, 2020, March 31, 2019 and March 31, 2018.
- 10.4 Copy of Valuation reports on determination of fair equity valuation of Target Company as per provisions of SEBI (ICDR) Regulations and SEBI (SAST) Regulations.
- 10.5 Copy of Cash Escrow Agreement between the Acquirer, Manager to the Offer and the Escrow Agent dated August 20, 2020.
- 10.6 Certificate from Escrow Agent confirming that Rs. 1,17,00,000 amount kept in Escrow Account opened as per the SEBI (SAST) Regulations and a lien is marked in favour of Manager to the Offer.
- 10.7 Copy of the DP Escrow Agreement dated August 24, 2020 amongst the Acquirer, Registrar to the Offer, the Depository Participant and Manager to the Offer.
- 10.8 Memorandum of Understanding between the Acquirer and the Manager to the Offer dated August 24, 2020.
- 10.9 Memorandum of Understanding between the Acquirer and the Registrar to the Offer dated August 24, 2020.
- 10.10 A copy of the Public Announcement dated August 24, 2020;
- 10.11 Published copy of the DPS dated August 29, 2020, published by the Manager to the Offer on behalf of the Acquirer and the PACs in the Newspapers on August 31, 2020;
- 10.12 A copy of Draft Letter of Offer dated September 07, 2020 and the Letter of Offer dated October 14, 2020;
- 10.13 Published copy of the Corrigendum to DPS dated October 10, 2020, published by the Manager to the Offer on behalf of the Acquirer and the PACs in the Newspapers on October 12, 2020;
- 10.14 A copy of Offer opening advertisement.
- 10.15 Copy of the recommendation to be made by the committee of independent directors of Target Company, in relation to this Offer;
- 10.16 Copy of the observation letter dated October 08, 2020 from SEBI containing its comments on the Draft Letter of Offer;
- 10.17 In Principal Approval Letter No. DCS/PREF/PB/PRE/811/2021-21 dated October 05, 2020 received from BSE in relation to Preferential Issue.

11. DECLARATION BY THE ACQUIRER AND THE PACS

We have jointly and 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.

We are jointly and severally responsible for ensuring compliance with the SEBI (SAST) Regulations and the obligations as stated under the SEBI (SAST) Regulations. All information contained in this document is true and correct as on date of the PA, DPS and this LOF, unless stated otherwise.

We hereby jointly and severally declare and confirm that all the relevant provisions of Companies Act and all the provisions of SEBI (SAST) Regulations have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act and SEBI (SAST) Regulations.

Signed by the Acquirer and the PACs

Sd/-

Mr.Murtuza Mansoorbhai

Sd/-

Mrs. Farheen Murtuza Mansoorbhai

Sd/-

Mrs. Shivani Sharda Sharma

Date: October 14, 2020

Place: Mumbai.

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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: Monday, October 26, 2020
Offer Closes / Tendering Period Ends on: Monday, November 09, 2020

FOR OFFICE USE ONLY

Acceptance Number	
Number of equity shares offered	
Number of equity shares accepted	
Purchase Consideration in Rupees (Rs.)	
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: _____

SATELLITE CORPORATE SERVICES PRIVATE LIMITED

Unit: Welcon International Limited– Open Offer

Office No. A 106 & 107, Dattani Plaza,
East West Compound, Andheri Kurla Road,
Sakinaka, Mumbai - 400 072, Maharashtra, India.

Sub.: Open Offer for acquisition of 1,55,64,120 Equity Shares of “Welcon International Limited” representing 26% of the Diluted Shares and Voting Capital at a price of Rs. 3.00/- per Equity Share by the Acquirer and the PACs under SEBI (SAST) Regulations, 2011.

Dear Sir/Madam,

I/We refer to the LOF dated October 14, 2020 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 Acquirer and the PACs pay the purchase consideration as mentioned in the LOF.

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

Enclosures (please provide the following and V 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 and the PACs 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 and the PACs 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 and the PACs to effect the Open Offer in accordance with the SEBI (SAST) Regulations.

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

I / We authorise the Acquirer and the PACs 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 and the PACs 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 and the PACs 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 and the PACs makes payment of consideration as mentioned in the Letter of Offer or the date by which Original Share Certificate(s), Transfer Deed(s) and other documents are 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 and the PACs for such income tax demand (including interest, penalty, etc.) and provide the Acquirer

and the PACs 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 and the PACs for delay in payment of Offer consideration or a part thereof, the Acquirer and the PACs 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: WELCON INTERNATIONAL LIMITED
CIN of the Company: L45100MH1995PLC322040
Name of the Stock Exchange where the Company is listed, if any: BSE 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	Re. 1.00/-		
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:

- i. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance cum Acknowledgement.
- ii. 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:

SATELLITE CORPORATE SERVICES PRIVATE LIMITED

Unit: Welcon International Limited– Open Offer

Office No. A 106 & 107, Dattani Plaza,
East West Compound, Andheri Kurla Road,
Sakinaka, Mumbai - 400 072, Maharashtra, India.

Telephone: +91-22-2852 0461/462

E-mail: info@satellitecorporate.com

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