

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This letter of offer (“**Letter of Offer**”) will be sent to you as an Equity Shareholder of Gaurav Mercantiles Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your equity shares in the Target Company, please hand over the Letter of Offer (*as defined hereinafter*) and the accompanying Form of Acceptance cum Acknowledgement (“**Form of Acceptance**”) to the member of Stock Exchange (*as defined hereinafter*) through whom the said sale was effected.

OPEN OFFER (“OFFER”) BY

RAGHAV BAHL

Residence: F-3, Sector 40, Noida – 201301, Uttar Pradesh, India;
Tel.: +91 120 475 1805; **Fax:** +91 120 475 1828; **E-mail:** raghav.bahl@thequint.com;
(hereinafter referred to as the “**Acquirer**”)

ALONG WITH THE FOLLOWING PERSONS ACTING IN CONCERT

RITU KAPUR

Residence: F-3, Sector 40, Noida – 201301, Uttar Pradesh, India;
Tel.: +91 120 475 1805; **Fax:** +91 120 475 1828; **E-mail:** ritu.kapur@thequint.com;
(hereinafter referred to as the “**PAC 1**”)

MOHAN LAL JAIN

Residence: Tower 3, Villa 1, La Tropicana, Khyber Pass, Magazine Road, Civil Lines, New Delhi-110054;
Tel.: +91 11 45142374; **Fax:** N.A.; **E-mail:** mljain58@gmail.com;
(hereinafter referred to as the “**PAC 2**”; PAC 1 and PAC 2 are collectively referred to as the “**PAC**”)

MAKE A CASH OFFER TO ACQUIRE UP TO 4,810,000 (FORTY EIGHT LAKH TEN THOUSAND ONLY) FULLY PAID UP EQUITY SHARES, HAVING FACE VALUE OF INR 10 (INDIAN RUPEES TEN ONLY) EACH (“EQUITY SHARES”), REPRESENTING 26% (TWENTY SIX PERCENT ONLY) OF THE EMERGING VOTING SHARE CAPITAL OF THE TARGET COMPANY (AS HEREINAFTER DEFINED), FROM THE PUBLIC SHAREHOLDERS OF

GAURAV MERCANTILES LIMITED

Corporate Identification Number: L74110MH1985PLC176592

Registered Office: 3rd Floor, Tower 2B, One Indiabulls Centre, Senapati Bapat Marg, Lower Parel (W),
Mumbai – 400013;

Tel.: +91 20 45404000; **Fax:** N.A.; **E-mail:** cs@gmlmumbai.com; **Website:** www.gmlmumbai.com
(hereinafter referred to as the “**Target Company**”)

AT A PRICE OF INR 42.50 (INDIAN RUPEES FORTY TWO AND FIFTY PAISA ONLY) PER EQUITY SHARE (“OFFER PRICE”), PAYABLE IN CASH, IN ACCORDANCE WITH THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED FROM TIME TO TIME (“SEBI (SAST) REGULATIONS, 2011”)

- This Offer is being made by the Acquirer along with PAC pursuant to and in compliance with Regulation 3(1) & 4 and other applicable regulations of the SEBI (SAST) Regulations, 2011.
- This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011.
- This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
- As on date, to the best of the knowledge and belief of the Acquirer and PAC, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Offer. However, the Offer would be subject to all the statutory approvals that may become applicable at a later date but before the completion of the Offer.
- The Acquirer shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days (*as defined below*) from the date of closure of the Tendering Period (*as defined below*), including payment of consideration to those Public Shareholders: (i) who hold Equity Shares in demat form; and/or

(ii) who hold Equity Shares in physical form whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.

- The Target Company, pursuant to its board meeting dated April 2, 2019, has on May 25, 2019, allotted 1,400,000 (Fourteen Lakh only) CCPS and 10,000,000 (One Crore only) Warrants to the Acquirer and the PAC; and 600,000 (Six Lakh only) CCPS and 4,500,000 (Forty five Lakh only) Warrants to certain Public Shareholders of the Target Company, on preferential basis. The Emerging Voting Share Capital of the Target Company has been computed on a fully diluted basis i.e. after taking into account the CCPS and Warrants issued by the Target Company to the Acquirer, PAC and Public Shareholders. Thus, the offer size stands increased from 520,000 (Five Lakh Twenty Thousand) Equity Shares (as disclosed in the DLoF) to 4,810,000 (Forty Eight Lakh Ten Thousand only) Equity Shares. Disclosure in relation to the increase in the Offer Size has been accordingly made in this LoF. If there is any further upward revision in the Offer Price and/or Offer Size at any time prior to the commencement of 1 (One) Working Day before the commencement of the Tendering Period i.e. up to January 27, 2020 (Monday) in terms of the SEBI (SAST) Regulations, 2011, 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 Public Shareholders, who have validly tendered their Equity Shares anytime during the Tendering Period to the extent of such Equity Shares having been verified and accepted under the Offer, by the Acquirer.
- **There was no competing offer to this Offer. The last date for making such competing offer has expired.**
- A copy of the Public Announcement (“PA”), the DPS and the Draft Letter of Offer are available on the website of Securities and Exchange Board of India (“SEBI”) at <http://www.sebi.gov.in> and a copy of Letter of Offer, including Form of Acceptance cum Acknowledgment will be available on the website of SEBI at <http://www.sebi.gov.in>.
- All future correspondence, if any, should be addressed to the Manager to the Offer/ Registrar to the Offer at the addresses mentioned below:

Manager to the Offer	Registrar to the Offer
 <p>Pantomath Capital Advisors Private Limited 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East – 400 051 Tel: +91 22 61946700/750 Fax: +91 22 26598690 E-mail: unmesh.zagade@pantomathgroup.com Contact Person: Unmesh Zagade SEBI Registration No.: INM000012110</p>	 <p>Skyline Financial Services Private Limited A/505, Dattani Plaza, Andheri Kurla Road, Safeed Pool, Andheri(E), Mumbai – 400072 Tel: + 91 22 28511022 Fax: N.A. Email: subhashdhingreja@skylinerta.com Contact Person: Subhash Dhingreja SEBI Registration No. INR 000003241</p>

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER IS GIVEN BELOW:

Activity	Original schedule of activities (Day and Date)	Revised schedule of activities (Day and Date)
Date of Public Announcement (PA)	November 27, 2018 (Tuesday)	November 27, 2018 (Tuesday)
Date of publishing of the DPS in Newspapers	December 04, 2018 (Tuesday)	December 04, 2018 (Tuesday)
Last date for filing of the Draft Letter of Offer with SEBI	December 11, 2018 (Tuesday)	December 11, 2018 (Tuesday)
Last date for public announcement of the Competing Offer(s) as per the first detailed public announcement*	December 26, 2018 (Wednesday)	December 26, 2018 (Wednesday)
Last date for receipt of SEBI observations on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	January 02, 2019 (Wednesday)	January 9, 2020 (Thursday)**
Identified Date [#]	January 04, 2019 (Friday)	January 13, 2020 (Monday)
Last date by which the Letter of Offer is to be dispatched to the Public Shareholders, whose name appears on the register of members on the Identified Date	January 11, 2019 (Friday)	January 20, 2020 (Monday)
Last Date by which the committee of the Independent Directors of the Target Company shall give its recommendation to the Public Shareholders of Target Company for this Offer	January 15, 2019 (Tuesday)	January 23, 2020 (Thursday)
Last date for upward revision of the Offer Price and/or Offer Size	January 16, 2019 (Wednesday)	January 23, 2020 (Thursday)
Date of publication of Offer opening Public Announcement in the newspapers in which the DPS was published	January 17, 2019 (Thursday)	January 24, 2020 (Friday)
Date of Commencement of the Tendering Period (Offer Opening Date)	January 18, 2019 (Friday)	January 27, 2020 (Monday)
Date of Closure of the Tendering Period (Offer Closing Date)	January 31, 2019 (Thursday)	February 7, 2020 (Friday)
Last date of communicating the rejection/ acceptance and completion of payment of consideration for accepted tenders or return of unaccepted/ rejected Equity Shares	February 14, 2019 (Thursday)	February 25, 2020 (Tuesday)
Issue of post offer advertisement	February 22, 2019 (Friday)	March 3, 2020 (Tuesday)
Last date for filing of final report with SEBI	February 22, 2019 (Friday)	March 3, 2020 (Tuesday)

* There was no competing offer to the Acquirer's Offer.

**Actual date of receipt of SEBI's final observation in relation to the Draft Letter of Offer

#The Identified Date is only for the purpose of determining the names of the eligible shareholders of the Target Company as on such date to whom the Letter of Offer would be dispatched. It is clarified that all Public Shareholders, whether registered or unregistered, are eligible to participate in this Offer at any time during the Tendering Period. Provided, however, the Target Company has allotted 1,400,000 (Fourteen Lakh only) CCPS and 10,000,000 (One Crore only) Warrants to the Acquirer and PAC; and 600,000 (Six Lakh only) CCPS and 4,500,000 (Forty five Lakh only) Warrants to certain public shareholders of the Target Company, on preferential basis on May 25, 2019. Subject to compliance with applicable laws including SEBI (SAST) Regulations, 2011 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, each as amended from time to time, if the Public Shareholders holding Warrants and/or CCPS convert their Warrants and/or CCPS into the Equity Shares during the Offer Period then such Public Shareholders shall be eligible to tender their Equity Shares, allotted to them pursuant to conversion of Warrants and/or CCPS, in the Offer.

RISK FACTORS

Set forth below are the risk factors relating to the Offer and the probable risks involved in associating with the Acquirer and PAC and are not in relation to the present or future business operations of the Target Company or any other related matters. These risk factors are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation or otherwise by the Public Shareholders in this Offer, but are merely indicative. The Public Shareholders are advised to consult their stock broker or legal, financial, tax or investment advisors/ consultants, if any, for analysing and understanding all the risks with respect to their participation in this Offer and related sale and transfer of Equity Shares.

Relating to underlying transaction:

1. The Underlying Transaction has been consummated and is subject to completion risks as would be applicable to similar transactions, if any.

Relating to the proposed Offer:

1. As on the date of this Letter of Offer, to the best of knowledge and belief of the Acquirer and PAC, no statutory approvals are required by the Acquirer to acquire the equity shares that are validly tendered pursuant to this Offer. However, in case if any other statutory approvals are required or become applicable at a later date before the completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals and the Acquirer shall make the necessary applications for such approvals. In the event of non-receipt of any of the statutory approvals, which may become applicable for acquisition of equity shares the Acquirer shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations, 2011. In the event of such a withdrawal of the Offer, the Acquirer shall, through the Manager to the Offer, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.
2. In the event that either: (a) there is any order of a governmental authority or litigation leading to a stay or injunction on the Offer or that restricts or restrains the Acquirer and PAC from performing their obligations hereunder; or (b) SEBI instructing the Acquirer and PAC not to proceed with this Offer, then this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders, whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not accepted in this Offer, may be delayed beyond the schedule of activities indicated in this Letter of Offer.
3. In case of delay in receipt of any statutory approval that may be required by the Acquirer and PAC at a later date, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer and PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest, if any, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, 2011, grant an extension of time to the Acquirer to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
4. In the case of the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, acceptance will be determined by the Acquirer, as per the SEBI (SAST) Regulations, 2011, in consultation with the Manager to the Offer, on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Offer will be accepted.
5. The Equity Shares tendered in the Offer and documents will be held in the pool account of the broker/ in trust by the Clearing Corporation of the Stock Exchange/Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed.
6. Public Shareholders who have lodged their acceptance to this Offer shall not be entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer

and dispatch of consideration are delayed. During such period, there may be fluctuations in the market price of the equity shares and the shareholders will not be able to trade in such equity shares, thereby restricting the ability of such Shareholders to take advantage of any favourable price movements. It is understood that the shareholders will be solely responsible for their decisions regarding their participation in this Offer.

7. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer, resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer and PAC or the Manager to the Offer to any new or additional registration requirements.
8. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
9. This Offer is subject to completion risks as would be applicable to similar transactions.
10. Certain corporate records and regulatory filings made by the Target Company, including those in relation to form filings made with the registrar of companies for historical issuances and allotments of equity shares of the Target Company are not traceable.

Relating to the Acquirer and PAC:

1. The Acquirer and PAC make no assurance with respect to their investment or divestment decisions relating to their proposed shareholding in the Target Company.
2. The Acquirer and PAC make no assurances with respect to the continuation of the business of the Target Company or continuation of past trends in the financial performance or of the future performance of the Target Company. Further, the Company has, by way of board resolution dated April 2, 2019 and shareholders resolution dated May 12, 2019, altered the object clause of its Memorandum of Association to undertake a new line of activity in the media and entertainment sector, including but not limited to, digital media and content business.
3. The Acquirer and PAC make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim any their responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Public Shareholder on whether or not to participate in this Offer.
4. The Acquirer and the PAC are party to certain legal and regulatory proceedings which, amongst others, include criminal proceedings and certain proceedings initiated by the Enforcement Directorate and SEBI. These proceedings are pending at different levels of adjudication before various courts, forums, authorities and/ or tribunals. There can be no assurance that the outcome in these proceedings will be favourable to the Acquirer and the PAC. Any adverse outcome of such proceedings may result in civil and/ or criminal liability to the Acquirer and/ or the PAC, which may in turn result in financial loss and/ or reputational loss to the Acquirer and/ or the PAC. For further details in relation to key litigations involving the Acquirer and PAC, please see paragraph 4.13 of this LOF.
5. The Acquirer, PAC and the Manager to the Offer accept no responsibility for statements made and information pertaining to the Target Company, which has been provided or published by Target Company or obtained from publicly available sources. Any person placing reliance on any other source of information will be doing so at his / her / its own risk.
6. For the purpose of disclosures in the PA or DPS or DLoF this Letter of Offer or in any advertisement in relation to the Offer or any corrigendum, in relation the Target Company and/or the Sellers, the Acquirer, PAC and Manager have relied on the information published or provided by the Target Company and/or the Sellers, as the case may be, or publicly available sources and have not

independently verified the accuracy of details of the Target Company and/or the Sellers. The Acquirer and PAC do not accept any responsibility with respect to any misstatement by the Target Company and/or the Sellers in relation to such information.

Currency of Presentation:

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

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1. ABBREVIATIONS / DEFINITIONS

Term	Definition
Acquirer	Mr. Raghav Bahl
Bank Guarantee	Bank Guarantee shall have the meaning given to it in paragraph 6.2(d) of this LOF
Board/ Board of Directors	The board of directors of the Target Company
BSE	BSE Limited
Buying Broker	IIFL Securities Limited (Depository ID - IN302269), the broker appointed by the Acquirer for the Offer, through whom the purchases and settlement of Offer Shares shall be made
CCPS	Compulsorily convertible preference shares issued by the Target Company of face value of INR 10 (Indian Rupees Ten only) each at a price of INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) including a premium of INR 32.50 (Indian Rupees Thirty Two and Fifty Paise only)
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Clearing Corporation	Indian Clearing Corporation Limited
Companies Act	The Companies Act, 1956, as amended and/or The Companies Act, 2013, as amended, as the case may be
Depositories	CDSL and NSDL
Designated Stock Exchange	BSE Limited
DIN	Director Identification Number
DP	Depository Participant
DPS / Detailed Public Statement	The detailed public statement, issued by the Manager to the Offer, on behalf of the Acquirer and the PAC 1 in relation to this Offer and published on December 04, 2018
Draft Letter of Offer/ DLoF	The draft letter of offer dated December 11, 2018
Emerging Voting Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis including 2,000,000 (Twenty Lakh only) Equity Shares, 2,000,000 (Twenty Lakh only) CCPS and 14,500,000 (One Crore Forty Five Lakh only) Warrants, expected as of the 10th (Tenth) Working Day from the closure of the Tendering Period for the Offer
Equity Shares	Fully paid-up equity shares of the Target Company of the face value of INR 10 (Indian Rupees Ten only) each
Equity Shareholders / Shareholders	All the owners of the Equity Shares
Escrow Agreement	Escrow Agreement dated November 27, 2018 entered among the Acquirer, Escrow Bank and Manager to the Offer, and as amended by agreement dated January 16, 2020
Escrow Bank	IndusInd Bank Limited
FEMA	Foreign Exchange Management Act, 1999, as amended and the rules and regulations thereunder
FII	Foreign Institutional Investor registered with SEBI under applicable laws in India
Form of Acceptance / FoA	Form of Acceptance cum Acknowledgement, accompanying with the Letter of Offer
FPI	Foreign Portfolio Investor, as defined under Regulation 2(h) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
FY	Financial Year
Identified Date	January 13, 2020 i.e. date falling on the 10th (Tenth) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Shareholders to whom the Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time

Term	Definition
ISIN	International Securities Identification Number
Letter of Offer / LoF	This Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
Manager to the Offer	Pantomath Capital Advisors Private Limited
Maximum Consideration	The total funding requirement for the Offer of INR 204,425,000 (Indian Rupees Twenty Crore Forty Four Lakh Twenty Five Thousand only) assuming full acceptance of the Offer
NA/N.A.	Not Applicable
Non-Resident Shareholder(s)	Persons resident outside India, as defined under FEMA, holding equity shares of the Target Company
NRI	Non-Resident Indians as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depositories Limited
OCBs	Overseas Corporate Bodies as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/Open Offer	The open offer made by the Acquirer and PAC to the Public Shareholders to acquire up to 4,810,000 (Forty Eight Lakh Ten Thousand only) Equity Shares, representing 26% (twenty six percent only) of the Emerging Voting Share Capital of Target Company
Offer Period	Period from the date of release of Public Announcement to the date of payment of consideration
Offer Price	INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) per Equity Share
Offer Size	Up to 4,810,000 (Forty Eight Lakh Ten Thousand only) Equity Shares representing 26% (twenty six percent only) of the Emerging Voting Share Capital of the Target Company
PA / Public Announcement	Public Announcement dated November 27, 2018, issued by the Manager to the Offer, on behalf of the Acquirer and PAC 1, in relation to this Offer
PAN	Permanent Account Number
PAC	Persons acting in concert with the Acquirer for this Offer, i.e. PAC 1 and PAC 2
PAC 1	Ms. Ritu Kapur
PAC 2	Mr. Mohan Lal Jain
Promoter and Promoter Group	Promoter and promoter group of Gaurav Mercantiles Limited
Public Shareholders	<p>All the Equity Shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, other than the Sellers, who are parties to the Share Purchase Agreement and persons deemed to be acting in concert with Sellers in terms of Regulation 7(6) of the SEBI (SAST) Regulations; other promoters and members of the promoter group of the Target Company; the Acquirer; PAC; and persons deemed to be acting in concert with the Acquirer and PAC.</p> <p>The Target Company has allotted 1,400,000 (Fourteen Lakh only) CCPS and 10,000,000 (One Crore only) Warrants to the Acquirer and PAC; and 600,000 (Six Lakh only) CCPS and 4,500,000 (Forty five Lakh only) Warrants to certain public shareholders of the Target Company, on preferential basis on May 25, 2019. If the Public Shareholders other than the Acquirer, PAC and the parties to the Share Purchase Agreement and persons deemed to be acting in concert with Sellers in terms of Regulation 7(6) of the SEBI (SAST) Regulations) holding Warrants and/or CCPS convert their Warrants and/or CCPS into the Equity Shares during the Offer Period then such Public Shareholders shall be eligible to tender their Equity Shares, allotted to them pursuant to conversion of Warrants and/or CCPS, in the Offer, subject to compliance with applicable laws including SEBI (SAST) Regulations, 2011 and Securities and Exchange Board of India (Issue of Capital and Disclosure</p>

Term	Definition
	Requirements) Regulations, 2018, each as amended from time to time.
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Skyline Financial Services Private Limited
INR	Indian Rupees, the legal currency of India
Sale Shares	1,328,300 Equity Shares having face value of INR 10 (Indian Rupees Ten only) each, constituting 66.42% (Sixty six point four two percent only) of the total voting share capital (on a non-diluted basis) of the Target Company as on the date of SPA, sold by the Sellers to the Acquirer and the PAC 1, in terms of the SPA
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Sellers	Mr. Pratap Singh Bohra, Mr. Vivek P. Bohra, Mr. Nikhil Bohra, Mr. Tarun Bohra and Ms. Gulab Devi Bohra
Selling Broker	The respective stock brokers of the Public Shareholders through whom Equity Shares shall be tendered under this Offer
Share Purchase Agreement/ SPA / Agreement	Share purchase agreement dated November 27, 2018 entered into amongst the Acquirer, PAC 1, Target Company and the Sellers
Stock Exchange	BSE Limited
STT	Securities Transaction Tax
Target Company	Gaurav Mercantiles Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 3rd Floor, Tower 2B, One Indiabulls Centre, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013
Tendering Period	Period commencing from January 27, 2020 to February 7, 2020, both days inclusive
TRS	Transaction Registration Slip generated by the Designated Stock Exchange bidding system
Underlying Transaction	The acquisition of Sale Shares under the Share Purchase Agreement
Warrants	Warrants allotted by the Target Company at a price of INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) entitling the Warrant holders to subscribe to one Equity Share of INR 10 (Indian Rupees Ten only) for each Warrant issued
Working Day	A working day of SEBI, as defined under the SEBI (SAST) Regulations, 2011

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF GAURAV MERCANTILES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER AND PAC OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS

LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER AND PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 11, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. BACKGROUND OF THE OFFER

- a. This Offer is a mandatory offer, being made by the Acquirer and the PAC to all the Public Shareholders, in compliance with Regulations 3(1) & 4 and other applicable provisions of the SEBI (SAST) Regulations, 2011, pursuant to the Share Purchase Agreement dated November 27, 2018 entered into by and amongst the Sellers, the Acquirer, the PAC 1 and the Target Company for acquisition of 1,328,300 fully paid up Equity Shares having face value of INR 10 (Indian Rupees Ten only) each (“**Sale Shares**”) constituting 66.42% (Sixty six point four two percent only) of the voting share capital (on a non-diluted basis) of the Target Company at a price of INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) per fully paid-up Equity Share (“**Negotiated Price**”) aggregating to INR 56,452,750 (Indian Rupees Five Crore Sixty Four Lakh Fifty Two Thousand Seven Hundred and Fifty only) (“**Purchase Consideration**”) payable in cash.
- b. The key terms and conditions of the Share Purchase Agreement were as follows:
 - i. Pursuant to the SPA, the Acquirer and the PAC 1, relying on the representations and warranties of the Sellers, have purchased the Sale Shares constituting 66.42% (Sixty six point four two percent only) of the voting share capital (on a non-diluted basis) of the Target Company at the Negotiated Price for the Purchase Consideration.
 - ii. As a consequence of the SPA, the Sellers shall cease to be the promoter and promoter group of the Target Company and the Acquirer and the PAC 1 shall become the promoter and promoter group of the Target Company under the provisions of the SEBI (SAST) Regulations, 2011. Accordingly, a shareholders meeting shall be convened by the Target Company post Completion (*as defined in the SPA*) to pass a resolution for de-classification of the relevant Sellers as promoters of the Company and classification of the Acquirer and the PAC 1 as the promoters of the Company with effect from the Completion (*as defined in the SPA*), in terms of Regulation 31A of SEBI (LODR) Regulations, 2015.
 - iii. On the Completion Date (*as defined in the SPA*), which was not prior to the expiry of 21 (Twenty One) working days from the date of the publication of the DPS, in accordance with and subject to the terms of the Agreement, the Acquirer and the PAC 1 have purchased from the Sellers, and the Sellers have sold and transferred to the Acquirer and the PAC 1, as legal and beneficial owners, the Promoter Seller Sale Shares (*as defined in the SPA*), free from all encumbrances and together with all rights, title, interest and benefits appertaining thereto.
 - iv. The SPA was subject to the compliance of provisions of the SEBI (SAST) Regulations, 2011.
 - v. The SPA contains mutual customary representations and warranties between the Acquirer and the PAC 1 and the Sellers, including in relation to compliance with applicable laws.

- vi. In the event of any non-compliance of any of the provisions of SEBI (SAST) Regulations, 2011, notwithstanding anything contained in the SPA, the SPA shall not be acted upon by any of the Parties.
- vii. On the Completion Date (*as defined in the SPA*), the Sellers issued duly filled up delivery instruction slips to the Acquirer and the PAC 1 for onward submission to the depository participant for transferring the Promoter Seller Sale Shares (*as defined in the SPA*) from their respective demat accounts to the Acquirer and the PAC 1's demat accounts.
- viii. On the Completion Date (*as defined in the SPA*), the Acquirer and the PAC 1 have delivered to each of the Sellers, demand drafts drawn on banks payable at Mumbai in their favour for an amount equal to the proportion of the Purchase Consideration (*as defined in the SPA*) specified against the name of such Seller as specified in clause 2.3 of the SPA.

For some of the above terms more specifically defined in the SPA and other details of the SPA, shareholders of the Target Company may refer to the SPA which would be available to them for inspection during the period between the Tendering Period at the office of the Manager to the Offer.

- c. In terms of the SPA, the Acquirer and the PAC 1 have acquired 1,328,300 fully paid up Equity Shares of the Target Company through an off-market transaction at a price of INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) per fully paid-up Equity Share (excluding transaction charges) and the settlement for such Equity Shares was completed on January 08, 2019, constituting 66.42% (Sixty six point four two percent only) of the voting share capital (on a non-diluted basis) of the Target Company. Further, the Target Company has allotted 1,400,000 (Fourteen Lakh only) CCPS and 10,000,000 (One Crore only) Warrants to the Acquirer and the PAC, on preferential basis on May 25, 2019. Pursuant to the acquisition of the Equity Shares under the SPA and allotment of CCPS and Warrants, as mentioned above, the Acquirer and the PAC have been classified as promoter and promoter group of the Target Company.
- d. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, 2011, the Board of Directors of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published. A copy whereof shall be sent to SEBI, BSE and Manager to the Offer and in case of a competing offer/s to the Manager/s to the Offer for every competing offer.
- e. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares.
- f. SEBI has *vide* its letter dated January 9, 2020 (SEBI/HO/CFD/DCR1/OW/P/2020/1296) provided comments on the DLoF wherein it has stated that the LOF must disclose that SEBI may initiate appropriate action against the Acquirer/ PAC/ promoters/ Target Company in terms of the SEBI (SAST) Regulations, 2011 and in terms of provisions of the SEBI Act for any non-compliances or delayed compliances of SEBI regulations by them.

3.2. DETAILS OF THE PROPOSED OFFER

- a. The Public Announcement in connection with the Offer, in accordance with the Regulations 3(1) & 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, 2011 was made by the Manager to the Offer on behalf of Acquirer and PAC 1 on November 27, 2018 and filed with BSE and also filed with SEBI and the Target Company at its Registered Office.
- b. In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, 2011, the Detailed Public Statement was published on December 04, 2018 in the following newspapers:

Publication	Language	Edition
Business Standard	English	All
Business Standard	Hindi	All
Navshakti	Marathi	Mumbai

A copy of the PA and DPS are available on the SEBI website at <http://www.sebi.gov.in>.

- c. Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was mailed/filed through the Manager to the Offer with SEBI, BSE and the Target Company at its Registered Office.
- d. The Offer is being made by the Acquirer and PAC to the Public Shareholders, in terms of Regulation 7(6) of the SEBI (SAST) Regulations, 2011, to acquire up to 4,810,000 (Forty Eight Lakh Ten Thousand only) fully paid up Equity Shares, representing 26.00% (Twenty six percent only) of the Emerging Voting Share Capital, at a price of INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) per Equity Share, payable in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011 subject to the terms and conditions mentioned in the PA, DPS and this Letter of Offer, which is proposed to be sent to all the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations, 2011.
- e. As on date, there are no partly paid up Equity Shares in the Target Company. Further, there is no differential pricing for the Offer.
- f. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011 and there has been no competing offer as on the date of this Letter of Offer.
- g. This Offer is unconditional and not subject to any minimum level of acceptance from the Public Shareholders, in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011.
- h. The Acquirer will accept the Equity Shares, which are validly tendered in terms of this Offer, up to a maximum of 4,810,000 (Forty Eight Lakh Ten Thousand only) Equity Shares constituting 26.00% (Twenty six percent only) of the Emerging Voting Share Capital of the Target Company. If the aggregate valid responses to this Offer by the shareholders are more than the Offer Size, then the acceptance would be determined 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.
- i. The details of further acquisition by the Acquirer and PAC after the date of the PA are set out below:
 - (i) In terms of the SPA, the Acquirer and the PAC 1 have acquired 1,328,300 fully paid up Equity Shares of the Target Company through an off-market transaction at a price of INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) per fully paid-up Equity Share (excluding transaction charges) and the settlement for such Equity Shares was completed on January 08, 2019, constituting 66.42% (Sixty six point four two percent only) of the voting share capital (on a non-diluted basis) of the Target Company.
 - (ii) Further, the Target Company has allotted 1,400,000 (Fourteen Lakh only) CCPS of face value of INR 10 (Indian Rupees Ten only) each at a premium of INR 32.50 (Indian Rupees Thirty Two and Fifty Paise only) and 10,000,000 (One Crore only) Warrants at a price of INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) each, to the Acquirer and the PAC, on preferential basis on May 25, 2019.
- j. The Equity Shares of the Target Company acquired by the Acquirer and PAC shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- k. As on date, the Manager to the Offer, Pantomath Capital Advisors Private Limited, does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and

undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

1. After the acquisition of the Offer Shares (assuming full acceptance of the Offer), the public shareholding in the Target Company may fall below the minimum level required for continued listing under Regulation 38 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Rule 19A of the SCRR. In the event that the public shareholding in the Target Company falls below 25% (Twenty Five Percent only) of the fully paid-up equity share capital pursuant to this Offer, the Acquirer and PAC shall bring down the non-public shareholding in the Target Company to the level specified within the time frame prescribed under the SCRR and SEBI (SAST) Regulations, 2011 and as per applicable laws.

3.3. **OBJECT OF THE OFFER**

- a. The prime object of the Offer is substantial acquisition of shares/voting rights accompanied by control over the management of the Target Company. Pursuant to the SPA, the Acquirer has changed the object clause of the Memorandum of Association and reconstituted the Board of Directors of the Target Company. Further, the Acquirer may change the name, object clause of Memorandum of Association and board structure of the Company in line with applicable laws. In case, the Acquirer intends to build new business it shall be subject to the compliance of applicable laws. For further details in relation to the object clause of the Memorandum of Association and the Board of Directors of the Target Company, please see paragraph 5.3 and 5.12, respectively.
- b. Pursuant to the acquisition of Sale Shares and after the completion of this Offer, the Acquirer and PAC will hold the majority of the Equity Shares by virtue of which they will be in a position to exercise effective management and control over the Target Company.
- c. The Acquirer and PAC reserves the right to streamline/ restructure, pledge/ encumber their holding in the Target Company and/ or the operations, assets, liabilities and/ or businesses of the Target Company through arrangements, reconstructions, restructurings, mergers, demergers, sale of assets or undertakings and/ or re-negotiation or termination of existing contractual/ operating arrangements, at a later date in accordance with applicable laws. Such decisions will be taken in accordance with procedures set out under applicable law, pursuant to business requirements and in line with opportunities or changes in economic circumstances, from time to time.
- d. Pursuant to the SPA, the Acquirer and PAC have reconstituted the board of directors of the Target Company. For details in relation to the board of directors of the Target Company, please see paragraph 5.12. The Acquirer has undertaken that he or his representatives, if appointed on the Board in compliance with Regulation 24(1), will not participate in any deliberations or vote on any matter in relation to the Offer.
- e. In terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011 other than as stated in the DPS, as on date of the LOF, the Acquirer and PAC do not have any intention to dispose or otherwise encumber any material assets of the Target Company for the succeeding 2 (Two) years from the date of closure of this Offer, except (i) in the ordinary course of business (including for the disposal of assets and creating encumbrances in accordance with business or financing requirements); or (ii) with the prior approval of the shareholders; or (iii) to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or business of the Target Company and in compliance with all the applicable laws; or (iv) for alienation of assets of the Target Company that are determined by the Board of Directors of the Target Company as being surplus and/or non-core, or on account of any approval of or conditions specified by any regulatory or statutory authorities, Indian or foreign, or for the purpose of compliance with any law that is binding on or applicable to the operations of the Target Company. It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters in accordance with the requirements of the business of the Target Company. Such approvals and decisions will be

governed by the provisions of the relevant regulations and/ or any other applicable laws and legislation at the relevant time.

4. BACKGROUND OF THE ACQUIRER / PAC

- 4.1. Mr. Raghav Bahl (“**Acquirer**”) is an individual aged 58 years and is a resident of F-3, Sector 40, Noida – 201301, Uttar Pradesh, India; Telephone Number: +91 120 475 1805; Fax Number: +91 120 475 1828; Email ID: raghav.bahl@thequint.com.

He has a bachelor’s degree in economics from St. Stephen’s College, University of Delhi and has a master’s degree in business administration from the University of Delhi. He began his career as a management consultant with A. F. Ferguson & Company. He founded TV18 Group (now Network18 Group) in 1993. He is the founder of the Quint group and has over 30 years of experience in field of television and journalism.

- 4.2. Ms. Ritu Kapur (“**PAC 1**”) is an individual aged 52 years and is a resident of F-3, Sector 40, Noida – 201301, Uttar Pradesh, India; Tel. No: +91 120 475 1805; Fax No.: +91 120 475 1828; Email ID: ritu.kapur@thequint.com.

She has over 25 years of experience in the field of television and journalism and she is the co-founder and the Chief Executive Officer of ‘The Quint’ and is a member of the advisory board at Oxford University’s Reuters Institute of Journalism.

- 4.3. Mr. Mohan Lal Jain (“**PAC 2**”) is an individual aged 60 years and is a resident of Tower 3, Villa 1, La Tropicana, Khyber Pass, Magazine Road, Civil Lines, New Delhi-110054, India; Tel. No: +91 11 45142374; Fax No.: N.A.; Email ID: mljain58@gmail.com.

He is a Chartered Accountant specializing in advisory and compliance services for various clients in the media and entertainment sector, trading, solar sector and real estate sector and has an experience of over 33 years.

- 4.4. Save and except for the PAC, no other person is acting in concert with the Acquirer for the purposes of this Offer.

- 4.5. The net worth of Acquirer is approximately INR 1,146 crore (Indian Rupees One Thousand One Hundred Forty Six Crore only) as on November 30, 2019 as certified vide certificate dated January 10, 2020 issued by Manik Kalra & Associates, Chartered Accountants (Firm registration number: 209705) having office at House Number 404, Sector 13, Urban Estate, Kurukshetra – 136 118. The net worth of PAC 1 is approximately INR 52 crore (Indian Rupees Fifty Two Crore only) as on November 30, 2019 as certified vide certificate dated January 10, 2020 issued by Manik Kalra & Associates, Chartered Accountants (Firm registration number: 209705) having office at House Number 404, Sector 13, Urban Estate, Kurukshetra – 136 118. The net worth of PAC 2 is approximately INR 13 crore (Indian Rupees Thirteen Crore only) as on November 30, 2019 as certified vide certificate dated January 10, 2020 issued by Manik Kalra & Associates, Chartered Accountants (Firm registration number: 209705) having office at House Number 404, Sector 13, Urban Estate, Kurukshetra – 136 118. The Acquirer is the husband of PAC 1 and is the founder of the Quint Group. The PAC 1 is the co-founder of the Quint Group.

- 4.6. The Acquirer and the PAC 1 are the promoters of the Target Company and the PAC 2 is a member of the promoter group of the Target Company, as on the date of this Letter of Offer. Further, except the Acquirer and PAC 1 who are husband and wife, the Acquirer and PAC are not related to the directors, key employees and promoters of the Target Company in any manner whatsoever.

- 4.7. As on the date of the Letter of Offer, the Acquirer and the PAC 1 hold 1,328,300 fully paid up Equity Shares of the Target Company constituting 66.42% (Sixty six point four two percent only) of the voting share capital (on a non-diluted basis) of the Target Company. Further, the Acquirer and PAC hold 1,400,000 (Fourteen Lakh only) CCPS and 10,000,000 (One Crore only) Warrants. The Acquirer and PAC have complied with the applicable provisions of

Chapter V of SEBI (SAST) Regulations, 2011 and further, Chapter II of the SEBI (SAST) Regulations, 1997 are not applicable to the Acquirer and PAC. The Acquirer and PAC 1 have disclosed to the Stock Exchange the acquisition of 66.42% (Sixty six point four two percent only) of the voting share capital (on non-diluted basis) on January 9, 2019 in compliance with Regulation 29(1) of the SEBI (SAST) Regulations, 2011 and further, the Acquirer and PAC have made disclosures under Regulation 30(1) and Regulation 30(2) of the SEBI (SAST) Regulations, 2011 on April 8, 2019.

- 4.8. Except for the agreement entered into between Acquirer, PAC 1 and PAC 2 on April 2, 2019, in relation to co-operation for acquisition of Equity Shares or voting rights or in exercising control over the Target Company, subject to the overall direction and supervision of the Acquirer, there are no other agreements or informal understanding with respect to the acquisition of Equity Shares through this Offer.
- 4.9. As on the date of this Letter of Offer, except the PAC 2 who is a non-executive director of H.P. Cotton Textiles Limited, the Acquirer and PAC do not hold any position on the board of directors of any listed Company, other than the Target Company.
- 4.10. The details of the ventures promoted/controlled/managed by the Acquirer are as given below hereinafter:

Sr. No.	Name of the entity	Nature of Interest
1.	RB Diversified Private Limited	Shareholder and Director
2.	B K Media Private Limited	Shareholder and Director
3.	R B Software Private Limited	Shareholder and Director
4.	RVT Softech Private Limited	Shareholder and Director
5.	Horizon Satellite Services Private Limited	Shares held as nominee of Quintillion Business Media Private Limited
6.	Quintillion Media Private Limited	Share held as nominee of RB Diversified Private Limited and Director
7.	Keyman Trading Services Private Limited	Share held as nominee of RB Diversified Private Limited and Director
8.	RRK Holdings Private Limited	Share held as nominee of B K Media Private Limited and Director
9.	VT Softech Private Limited	Director
10.	RRK Media Private Limited	Director
11.	VT Media Private Limited	Director
12.	BK Media Mauritius Private Limited	Director
13.	Digital Content Private Limited	Director
14.	Network18 Publications Limited	Director
15.	Quintillion Business Media Private Limited	Share held as nominee of Quintillion Media Private Limited and Director
16.	Quintype Inc.	Director
17.	Quintype Technologies India Private Limited	Director
18.	RMS Diversified Private Limited	Director
19.	Da Vinci Media India Private Limited	Director
20.	R.B. Solar Power Private Limited	Director

- 4.11. The details of the ventures promoted/controlled/managed by the PAC 1 are as given below hereinafter:

Sr. No.	Name of the entity	Nature of Interest
1.	RB Diversified Private Limited	Shareholder and Director
2.	BK Media Private Limited	Shareholder and Director

Sr. No.	Name of the entity	Nature of Interest
3.	R B Software Private Limited	Shareholder and Director
4.	RVT Softech Private Limited	Shareholder and Director
5.	Quintillion Media Private Limited	Director
6.	Keyman Trading Services Private Limited	Director
7.	RRK Holdings Private Limited	Director
8.	VT Softech Private Limited	Director
9.	RRK Media Private Limited	Director
10.	VT Media Private Limited	Director
11.	Digital Content Private Limited	Director
12.	Network18 Publications Limited	Director
13.	Quintillion Business Media Private Limited	Director
14.	Quintype Inc.	Director
15.	Quintype Technologies India Private Limited	Director
16.	Web18 Securities Pvt Ltd	Director
17.	Da Vinci Media India Private Limited	Director
18.	YKA Media Private Limited	Director
19.	Spunklane Media Private Limited	Director
20.	R.B. Solar Power Private Limited	Shareholder and Director

- 4.12. The details of the ventures promoted/controlled/managed by the PAC 2 are as given below hereinafter:

Sr. No.	Name of the entity	Nature of Interest
1.	RB Diversified Private Limited	Director
2.	H P Cotton Textile Mills Limited	Director
3.	RMS Diversified Private Limited	Director
4.	MJ Softech Private Limited	Shareholder and Director
5.	MLJ Financial Consultants Private Limited	Director
6.	Pverity Enterprises LLP	Designated Partner

- 4.13. The details of key litigations subsisting and/ or regulatory proceedings pending against the Acquirer and the PAC, amongst other litigations and proceedings, which are material for the shareholder to make an informed decision, are as given below hereinafter:

Sr. No.	Proceeding involving	Summary of proceedings
1.	Acquirer, PAC 1 and PAC 2	SEBI has initiated an investigation into the trading activities in the scrip of PMC Fincorp Limited against multiple persons. The Acquirer and PAC 1 had received letters from SEBI on December 19, 2019 seeking certain details to which they have submitted their reply by way of letters dated December 30, 2019. Further, the Acquirer received additional queries from SEBI on January 10, 2020 to which the Acquirer has submitted his reply by way of letter dated January 14, 2020. The PAC 2 has received certain queries from SEBI on January 13, 2020 and January 14, 2020. The PAC 2 is in the process of replying to these queries.
2.	Acquirer	The Enforcement Directorate (the “ED”) had issued a notice seeking personal appearance of the Acquirer. The information requested by the ED has been duly submitted.
3.	Acquirer	The Acquirer has filed a special leave petition before the Supreme Court against the final judgment and order dated August 22, 2019 in CRMWP No. 15822/2019 passed by the Allahabad High Court. Further, the Supreme Court had passed an order on

		<p>December 18, 2019 that no coercive steps should be taken against the Acquirer in connection with the criminal complaints pending before the Special Chief Judicial Magistrate, Meerut, Uttar Pradesh bearing numbers 2982 and 2983 of 2019.</p> <p>The Supreme Court has, on January 6, 2020, deferred the matter for 4 weeks. Additionally, the Supreme Court has ordered that the directions passed by it on December 18, 2019 in relation to stay on coercive action against the Acquirer, will continue till the next hearing.</p>
4.	PAC 2	<p>A summons was issued to the PAC 2 under Section 138 of the Negotiable Instruments Act, 1881 by the Patiala House Court, in relation to the non-payment of a cheque by M/s Spectacular Media Marketing Private Limited to Usha International Limited. The next date of hearing is January 18, 2020.</p>

- 4.14. The Acquirer and PAC have confirmed that they are not categorized as a ‘wilful defaulter’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations, 2011 and have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 4.15. The Acquirer and PAC have confirmed that they have not been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

5. BACKGROUND OF TARGET COMPANY

- 5.1 The Target Company was originally incorporated as ‘Gaurav Mercantiles Limited’ on May 31, 1985, at New Delhi, as a public limited company under the provisions of the Companies Act, 1956 pursuant to the Certificate of Incorporation issued by Registrar of Companies, Delhi and Haryana at New Delhi (“RoC”). The Registered Office of the Company was changed from the state of Delhi to Maharashtra which was confirmed by an order of Company Law Board, Northern Region, dated November 28, 2007 and a fresh certificate of registration was issued on December 10, 2007 by the Registrar of Companies, Maharashtra. The name of the Target Company has not undergone any change in the last 3 (three) years.
- 5.2 The Registered Office of the Target Company is situated at 3rd Floor, Tower 2B, One Indiabulls Centre, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013. The Corporate Identity Number (CIN) of the Target Company is L74110MH1985PLC176592.
- 5.3 The Target Company is *inter alia* engaged in the business of media and entertainment, including but not limited to digital media and content business.
- 5.4 The authorised share capital of the Target Company is INR 225,000,000 (Indian Rupees Twenty Two Crore Fifty Lakh only) comprising of 20,000,000 (Two Crore only) equity shares of INR 10 (Indian Rupees Ten only) each and 2,500,000 (Twenty Five Lakh only) preference shares of INR 10 (Indian Rupees Ten only) each. The issued, subscribed and fully paid-up equity share capital of the Target Company is INR 20,000,000 (Indian Rupees Two Crore only) comprising of 2,000,000 (Twenty Lakh only) equity shares of INR 10 (Indian Rupees Ten only) each. Further, the Target Company has issued 2,000,000 (Twenty Lakh only) CCPS of face value of INR 10 (Indian Rupees Ten only) and 14,500,000 (One Crore Forty Five Lakh only) Warrants entitling the Warrant holders to subscribe to one Equity Share of INR 10 (Indian Rupees Ten only) for each Warrant issued.
- 5.5 Except as disclosed below, as on date, the Target Company does not have any partly paid-up equity shares and there are no outstanding convertible securities, depository receipts, warrants, options or similar instruments, issued by the Target Company, convertible into equity shares at a later stage:

The Target Company has allotted 1,400,000 (Fourteen Lakh only) CCPS and 10,000,000 (One Crore only) Warrants to the Acquirer and PAC; and 600,000 (Six Lakh only) CCPS and 4,500,000 (Forty five Lakh only) Warrants to certain public shareholders of the Target Company, on preferential basis on May 25, 2019. However, the CCPS issued and the Equity Shares to be issued upon conversion of CCPS and Warrants is and shall be subject to lock-in restrictions under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

- 5.6 As on date, none of the Equity Shares are under lock-in period.
- 5.7 The Equity Shares are presently listed on BSE (Scrip Code: 539515). The ISIN of the Equity Shares of the Target Company is INE641R01017.

5.8 **Share Capital Structure:**

The Equity Share capital structure of the Target Company is as follows:

Paid-up Equity Shares	No. of Equity Shares/Voting Rights	% Equity Shares/Voting Rights
Fully paid-up Equity Shares	2,000,000	100%
Partly paid-up Equity Shares	Nil	Nil
Total paid-up Equity Shares	2,000,000	100%
Total Equity Shares/Voting Rights in Target Company*	2,000,000	100%

**The Target Company has allotted 1,400,000 (Fourteen Lakh only) CCPS and 10,000,000 (One Crore only) Warrants to the Acquirer and PAC; and 600,000 (Six Lakh only) CCPS and 4,500,000 (Forty five Lakh only) Warrants to certain public shareholders of the Target Company, on preferential basis on May 25, 2019.*

- 5.9 All the outstanding Equity Shares of the Target Company are admitted for trading at BSE.
- 5.10 The Target Company is complying with the relevant provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, with BSE and no punitive action has been taken against the Target Company by BSE as on date.
- 5.11 As on date, the trading in Equity Shares of Target Company is not suspended on BSE.
- 5.12 **Details of the Board of Directors of Target Company:**

Pursuant to the SPA, the Acquirer and the PAC 1 and PAC 2 have been classified as the promoter and promoter group of the Target Company; and the Board of Directors of the Target Company has been reconstituted as follows:

Name of Director	Designation	Date of Appointment	Director Identification Number(DIN)
Mr. Raghav Bahl	Whole Time Director	January 8, 2019	00015280
Ms. Ritu Kapur	Non-executive Director	January 8, 2019	00015423
Mr. Mohan Lal Jain	Non-executive Director	February 26, 2019	00063240
Mr. Parshotam Dass Agarwal	Independent Director	February 26, 2019*	00063017
Mr. Sanjeev Krishana Sharma	Independent Director	February 26, 2019*	00057601

**Please note that the date of appointment for Mr. Parshotam Dass Agarwal and Mr. Sanjeev Krishana Sharma is appearing as February 15, 2019 on the MCA website. The Target Company has submitted a letter dated March 26, 2019 to the Registrar of companies, Maharashtra for rectifying the appointment date for these directors.*

- 5.13 There has been no merger / de-merger or spin off in the Target Company during the past three years.

- 5.14 The key financial information of the Target Company, based on audited financial statements for the Financial Year(s) ended March 31, 2019, March 31, 2018 and March 31, 2017 and limited reviewed financials for half year ended September 30, 2019 are as follows:

Profit & Loss Statements

(INR in lakh, except per share data)

Particulars	Half Year ended September 30, 2019	Financial Year ended March 31, 2019	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
Income from Operations	-	-	95.43	159.21
Other Income	49.82	48.31	57.80	35.79
Total Income	49.82	48.31	153.23	195.00
Total Expenditure (excluding interest and depreciation)	56.22	34.87	120.92	183.18
Profit before Depreciation Interest and Tax	(6.12)	13.50	32.56	12.14
Depreciation	-	0.07	0.25	0.31
Interest	0.28	-	-	-
Profit/(loss) before Tax	(6.40)	13.43	32.31	11.82
Provision for Tax	(1.61)	2.19	8.77	2.62
Profit/ (Loss) after Tax	(4.79)	11.24	23.53	9.20

Balance Sheet Statement

(INR in lakh, except per share data)

Particulars	Half Year ended September 30, 2019	Financial Year ended March 31, 2019	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
Sources of fund				
Paid-up Equity Share capital	200.00	200.00	200.00	200.00
Compulsorily Convertible Preference Shares	200.00	-		
Equity Warrants	1,540.63	-		
Reserves & Surplus (excluding revaluation reserves)	1,016.43	371.22	359.99	336.45
Net Worth	2,957.05	571.22	559.99	536.45
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Deferred Tax Liabilities and Provisions	0.10	0.01	2.85	2.74
Total	0.10	0.01	2.85	2.74
Uses of funds				
Net fixed assets	-	-	3.13	3.39
Investments and Advances	2,944.30	-	12.84	17.22
Net current Assets	21.87	588.23	548.91	519.44
Total miscellaneous expenditure not written off	-	-	-	-
Total	2,966.17	588.23	564.88	540.05
Other Financial Data				
Dividend (%)	-	-	-	-
Earnings Per Share	(0.24)	0.56	1.18	0.46

Note:

1. Net Worth = Paid-up Share Capital + Reserves and Surplus
2. Earnings per Share = Profit/ (Loss) after Tax / Equity Shares outstanding at the end of respective period
Return on Net Worth = Profit/ (Loss) after Tax / Net Worth

5.15 Pre and Post-Offer Shareholding Pattern of the Target Company as on date is as follows:

Shareholders' category	Shareholding & voting rights prior to the SPA/ acquisition and Offer (percentage calculated on a non-diluted basis)		Shares and voting rights acquired pursuant to the SPA (percentage calculated on a non-diluted basis)		CCPS and/or Warrants allotted (percentage calculated on a fully diluted basis)*		Shares and voting rights to be acquired in the Offer (assuming full acceptance) (percentage calculated on a fully diluted basis)*		Shareholding / voting rights after the acquisition and Offer (percentage calculated on a fully diluted basis)*	
	(A)		(B)		(C)		(D)		(A)+(B)+(C)+(D)	
	No.	%	No.	%	No.	% ^{###}	No.	%	No.	%
(1) Promoter group[#]										
a. Parties to agreement, if any										
Mr. Pratap Singh Bohra	580,900	29.05	(580,900)	(29.05)	-	-	-	-	-	-
Mr. Vivek Bohra	345,000	17.25	(345,000)	(17.25)	-	-	-	-	-	-
Mr. Nikhil Bohra	195,000	9.75	(195,000)	(9.75)	-	-	-	-	-	-
Mr. Tarun Bohra	195,000	9.75	(195,000)	(9.75)	-	-	-	-	-	-
Ms. Gulab Devi Bohra	12,400	0.62	(12,400)	(0.62)	-	-	-	-	-	-
b. Promoters other than (a) above	-	-	-	-	-	-	-	-	-	-
Total 1(a+b)	1,328,300	66.42	(1,328,300)	(66.42)	-	-	-	-	-	-
(2) Acquirer and PAC										
a. Acquirer – Mr. Raghav Bahl	-	-	1,120,900	56.05	8,841,001	47.79	4,810,000	26.00	14,771,901	79.85
b. PAC 1 – Ms. Ritu Kapoor	-	-	207,400	10.37	1,635,849	8.84	-	-	1,843,249	9.96
c. PAC 2 – Mr. Mohan Lal Jain	-	-	-	-	923,150	4.99	-	-	923,150	4.99
Total 2(a+b)	-	-	1,328,300	66.42	11,400,000	61.62	4,810,000	26.00	17,538,300	94.80
(3) Parties to agreement other than(1) (a) & (2)	-	-	-	-	-	-	-	-	-	-
(4) Public (other than parties to SPA, Acquirer and PAC)	671,700	33.58	-	-	5,100,000	27.57	(4,810,000)	(26.00)	961,700	5.20
GRAND TOTAL (1+2+3+4)*	2,000,000	100	-	-	-	-	-	-	18,500,000	100

[#]Prior to the completion of the SPA, the Sellers held 1,328,300 Equity shares representing 66.42% (Sixty six point four two percent only) of the voting share capital (on a non-diluted basis), which pursuant to the completion of the SPA has been transferred to the Acquirer and the PAC 1, and as on the date of the LOF are held by the Acquirer and the PAC 1.

*The Target Company has allotted 1,400,000 (Fourteen Lakh only) CCPS and 10,000,000 Warrants (One Crore only) to the Acquirer and PAC; and 600,000 (Six Lakh only) CCPS and 4,500,000 (Forty five Lakh only) Warrants to certain public shareholders of the Target Company, on preferential basis on May 25, 2019.

##This percentage reflects the total number of CCPS and Warrants individually held by each of the Acquirer and PAC calculated as a percentage of the total voting share capital of the Company on a fully diluted basis.

Note: The number of shareholders of the Target Company as on January 10, 2020 is 1,319.

5.16 Details of Compliance Officer:

Ms. Anukrati Agarwal
403, Prabhat Kiran
17 Rajendra Place
New Delhi – 110008, India
Tel.: +91 98072 81326;
E-mail: cs@gmlmumbai.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. JUSTIFICATION OF OFFER PRICE

- a. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares of the Target Company.
- b. The Offer is made pursuant to the execution of the SPA for the acquisition of more than 25% (Twenty Five percent only) of the Equity Shares and voting rights, accompanied with a change in control of the Target Company.
- c. The Equity Shares of the Target Company are presently listed and permitted to trade on BSE (Security ID: GMLM; Security Code: 539515). The International Securities Identification Number ('ISIN') of the Equity Shares of the Target Company is INE641R01017.
- d. The trading turnover in the Equity Shares based on the trading volume during the twelve calendar months prior to the calendar month in which the PA was made (November 1, 2017 to October 31, 2018) is as under:

Name of Stock Exchange	No. of Equity Shares Traded (A)	Number of Listed Equity Shares (B)	Trading Turnover (in terms of % to listed equity shares) (A/B)
BSE	95,883	2,000,000	4.79

(Source: www.bseindia.com)

Based on the above, the Equity Shares are infrequently traded on the BSE, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.

- e. The Offer Price determined in terms of Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations, 2011, considering the following:

S. No.	Particulars	Price
1.	Negotiated Price under the SPA	42.50
2.	The volume weighted average price paid or payable for acquisitions by the Acquirer during 52 weeks immediately preceding the date of PA	Not Applicable
3.	The highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA	Not Applicable
4.	The volume weighted average market price per equity share for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange (in case of frequently traded shares only)	Not Applicable

S. No.	Particulars	Price
5.	Where the shares are not frequently traded, the price determined by Acquirer and the Manager 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	29.10

- f. In view of the parameters considered and presented in table above, in the opinion of the Acquirer and PAC and Manager to the Offer, the Offer Price of INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.
- g. There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8 of the SEBI (SAST) Regulations, 2011. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split etc. where the record date for effecting such corporate actions falls within 3 Working Days prior to the commencement of Tendering period.
- h. In the event of further acquisition of Equity Shares of the Target Company by the Acquirer and PAC during the Offer Period, at a price higher than the Offer Price, the Offer Price will stand revised equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, the Acquirer and PAC will not be acquiring any Equity Shares of the Target Company after the third Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- i. If the Acquirer and PAC acquire Equity Shares of the Target Company during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, they will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within 60 (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, 2011 or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended, or open market purchases made in the ordinary course on the Stock Exchange, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.
- j. As on date, there has been no revision in Offer Price and/or Offer Size.
- k. The Offer Price is subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and/or PAC at any time prior to the commencement of 1 (one) working day prior to the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and/or the PAC shall make corresponding increases to the escrow amounts in accordance with Regulation 18(5) of the SEBI (SAST) Regulations and the Acquirer and the PAC shall (i) make a public announcement in the same newspapers in which this DPS is published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

6.2. DETAILS OF FIRM FINANCIAL ARRANGEMENTS

- a. Assuming full acceptance of the Offer, the total consideration for the Offer i.e. for the acquisition of up to 4,810,000 (Forty Eight Lakh Ten Thousand only) Equity Shares at the Offer Price of INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) per Equity Share, is INR 204,425,000 (Indian Rupees Twenty Crore Forty Four Lakh Twenty Five Thousand only) (“**Maximum Consideration**”).
- b. In terms of Regulation 25(1) of the SEBI (SAST) Regulations, the Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of his own sources/ net worth and no borrowings from any bank and or financial institution is envisaged.

- c. The Acquirer has confirmed that he has adequate financial resources to meet the obligations under the Offer. The Acquirer, the Manager and IndusInd Bank Limited, a banking corporation incorporated under the laws of India, acting through its branch office at Premises no. 61, Sonawala Building, Mumbai Samachar Marg, Fort, Mumbai – 400 001, have entered into an escrow agreement dated November 27, 2018 for the purpose of the Offer (“**Escrow Agreement**”). Pursuant to the Escrow Agreement and in compliance with Regulation 17(1) of the SEBI (SAST) Regulations, 2011, the Acquirer has opened an escrow account named “GAURAV MERCHANTILES-OPEN OFFER-CASH ESCROW ACCOUNT” (the “**Open Offer Escrow Account**”) bearing account number 250556040798. The Acquirer has on November 28, 2018 made a cash deposit of a sum of INR 22,100,000 (Indian Rupees Two Crore Twenty One Lakh only) in the Offer Escrow Account (“**Cash Escrow**”) as confirmed by IndusInd Bank Limited by way of letter dated November 28, 2018 which was equivalent to 100% of the original consideration. As on the date of this LOF, the existing cash deposit i.e. INR 22,100,000 (Indian Rupees Two Crore Twenty One Lakh only) is equivalent to 10.81% of the value of the Maximum Consideration. The Manager is duly authorised by the Acquirer to realise the value of the Escrow Account and to operate the Escrow Account in terms of the SEBI (SAST) Regulations, 2011. On account of revision in the offer size, the Acquirer has furnished a bank guarantee dated January 15, 2020 issued by Barclays Bank PLC acting through its branch office at 1st Floor, Eros Corporate Tower, Nehru Place, New Delhi – 110019, India, of an amount of INR 182,325,000 (Indian Rupees Eighteen Crore Twenty Three Lakh and Twenty Five Thousand only) (“**Bank Guarantee**”) being equal to 89.19 % of the Maximum Consideration. The Bank Guarantee is valid up to March 25, 2020. The Manager to the Offer has been duly authorized to realize the value of the Bank Guarantee in terms of the SEBI (SAST) Regulations, 2011. The Acquirer has undertaken to extend the validity of the Bank Guarantee or make other arrangements for such period as may be required, in accordance with the SEBI (SAST) Regulations, 2011, such that the Bank Guarantee shall be valid for at least thirty days after completion of payment of consideration to shareholders who have validly tendered their shares in acceptance of the Offer. The bank issuing the Bank Guarantee is neither an associate company nor a group company of the Target Company.
- d. The Acquirer has confirmed that he has adequate financial resources to meet the obligations under the Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, 2011.
- e. Manik Kalra & Associates, Chartered Accountants (Firm registration number: 209705) having office at House Number 404, Sector 13, Urban Estate, Kurukshetra – 136 118 have certified vide certificate dated January 10, 2020 that sufficient resources, based on the net-worth position, are available with the Acquirer for fulfilling his obligations under this Offer in full.
- f. Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfil his obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations, 2011.
- g. In case of any upward revision in the Offer Price or the Offer Size, the Acquirer shall deposit additional funds in the Escrow Account as required under the Regulation 17(2) of the SEBI (SAST) Regulations, 2011.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. OPERATIONAL TERMS AND CONDITIONS

- a. This Offer is being made by the Acquirer and PAC to the Public Shareholders of the Target Company, other than the Sellers, who are parties to the Share Purchase Agreement and persons deemed to be acting in concert with Sellers in terms of Regulation 7(6) of the SEBI (SAST) Regulations; other promoters and members of the promoter group of the Target Company; the Acquirer; PAC; and persons deemed to be acting in concert with the Acquirer and PAC.

- b. This Offer is being made by the Acquirer and the PAC to all the Public Shareholders, to acquire up to 4,810,000 (Forty Eight Lakh Ten Thousand only) Equity Shares representing 26% (twenty six percent only) of the Emerging Voting Share Capital of the Target Company.
- The Target Company has allotted 1,400,000 (Fourteen Lakh only) CCPS and 10,000,000 (One Crore only) Warrants to the Acquirer and the PAC; and 600,000 (Six Lakh only) CCPS and 4,500,000 (Forty five Lakh only) Warrants to certain Public Shareholders of the Target Company, on preferential basis on May 25, 2019. The Emerging Voting Share Capital of the Target Company has been computed on a fully diluted basis i.e. after taking into account CCPS and Warrants issued by the Target Company to the Acquirer, PAC and Public Shareholders.
- c. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations, 2011.
- d. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
- e. This Offer is subject to the terms and conditions set out in this Letter of Offer, the Draft Letter of Offer, the PA, the DPS, and any other Public Announcements that may be issued with respect to the Offer.
- f. The Letter of Offer together with the Form of Acceptance cum Acknowledgment (Form of Acceptance) will be mailed to those Public Shareholders of the Target Company whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company whose names appear as beneficiaries on the records of the respective depositories, except the Acquirer, PAC and Sellers, at the close of business hours on the Identified Date, January 13, 2020. Owners of Equity Shares who are not registered as Shareholder(s) are also eligible to participate in the Offer at any time prior to the Date of Closure of the Tendering Period.
- g. Accidental omission to dispatch the Letter of Offer to any member entitled to this Offer or non-receipt of the Letter of Offer by any member entitled to this Offer shall not invalidate the Offer in any manner whatsoever.
- h. Public Shareholders can write to the Registrar to the Offer/ Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance cum acknowledgement. Alternatively, the Letter of Offer along with the Form of Acceptance cum acknowledgement would also be available on the website of SEBI i.e. <http://www.sebi.gov.in>, and shareholders can also apply by downloading such forms from the website.
- i. This Offer is subject to the receipt of the statutory and other approvals as mentioned under paragraph 'Statutory Approvals' of this Letter of Offer. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- j. The Acquirer and PAC reserve the right to revise the Offer Price and/or the Offer Size upwards at any time prior to the commencement of 1 (one) working day prior to the commencement of the tendering period, in accordance with the SEBI (SAST) Regulations, 2011 and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer and PAC would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Letter of Offer.
- k. The Public Shareholders to whom the Offer is being made are free to offer their Equity Shares in the Target Company in whole or in part while accepting the Offer. The acceptance of the Offer must be unconditional, absolute and unqualified.
- l. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared

hereafter, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.

- m. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder maybe precluded from bidding of such Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding the free transferability of such equity shares tendered under the Offer are not received prior to the date of closing of the Offer.
- n. Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- o. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, 2011, the Public Shareholders who tender their Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance.
- p. In the event that the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.

7.2. LOCKED-IN SHARES

As on date, no Equity Shares of the Target Company are under lock-in. However, the CCPS issued and the Equity Shares to be issued upon conversion of CCPS and Warrants is and shall be subject to lock-in restrictions under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. There shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares in the Offer.

7.3. ELIGIBILITY FOR ACCEPTING THE OFFER

All the Public Shareholders registered or unregistered, who own fully paid equity shares of the Target Company any time before the closure of the Open Offer are eligible to participate in the Open Offer. However, the Letter of Offer is dispatched / mailed to those Shareholders whose names appear on the Register of Members of the Target Company at the close of business hours on the Identified Date i.e. January 13, 2020.

7.4. STATUTORY APPROVALS

- a. As on date, to the best of the knowledge and belief of the Acquirer and PAC, there are no statutory or other approvals required to complete the acquisition of the Equity Shares that are tendered pursuant to the Offer. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s) and the Acquirer and PAC shall make the necessary applications for such approvals.
- b. All Public Shareholders, including non-resident holders of Equity Shares, must on its own obtain all requisite approvals required, if any, to tender the Offer Shares (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 within the Tendering Period, the Acquirer and the PAC 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 Offer Shares, 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 PAC reserve the right to reject such Offer Shares. The acquisition of the Equity Shares tendered by NRI and OCB are subject to approval/exemption, if applicable, from RBI.

- c. In case of delay in receipt of any statutory approval that may be required by the Acquirer and PAC at a later date, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer and PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, 2011, grant an extension of time to the Acquirer to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- d. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, in the event that the approvals which may become applicable prior to completion of the Offer are not received, the Acquirer and PAC shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and PAC (through the Manager to the Offer) shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

- 8.1. The Offer will be implemented by the Acquirer and PAC through a Stock Exchange Mechanism made available by BSE Limited in the form of a separate window (“Acquisition Window”), as provided under the SEBI (SAST) Regulations, 2011 and SEBI Circular CIR/CFD/POLICYCELL/1/ 2015 dated April 13, 2015 read with SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 issued by SEBI and notices / guidelines issued by Designated Stock Exchange and the Clearing Corporation in relation to the mechanism / process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers as amended and updated from time to time.
- 8.2. BSE shall be the designated stock exchange (“Designated Stock Exchange”) for the purpose of tendering the Equity Shares in the Offer.
- 8.3. The Acquirer and PAC have appointed IIFL Securities Limited (“Buying Broker”) as their broker for the Offer through whom the purchases and settlement of the Offer Shares tendered in the Offer will be made. The contact details of the Buying Broker are as mentioned below:

IIFL SECURITIES LIMITED

601, Ackruti Center Point, Central Road, Marol Midc, Andheri (E), Mumbai 400093;

Tel: +91 22 - 62727000; Contact Person: Mr. Suresh Taraye;

E-mail Id – suresh_taraye04@iifl.com

- 8.4. All the owners of Equity Shares, who desire to tender their Equity Shares under the Offer, would have to approach and intimate their respective stock brokers (“Selling Broker”) during the normal trading hours of the secondary market, during the Tendering Period.
- 8.5. The Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Selling Brokers can enter orders for dematerialised shares only.
- 8.6. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation, before the opening of the Offer.
- 8.7. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 8.8. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period.

- 8.9. The Equity Shareholders are requested to note that trading account is mandatory to participate in the Offer irrespective of the Equity Shares are in dematerialised form.
- 8.10. The Equity Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (Know Your Customer/Client (KYC) Compliant).
- 8.11. In the event Selling Broker of the shareholder is not registered with BSE then that shareholder can approach the Buying Broker and tender his/ her Equity Shares through the Buying Broker viz. IIFL Securities Limited to tender his/ her Equity Shares under the Offer. The Public Shareholders approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

a. **In case of Public Shareholder being an individual**

If Shareholder is registered with KYC Registration Agency (“KRA”), the following documents will be required to be submitted (duly filled and completed)

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested): Bank details (cancelled cheque)
- DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode.

If Shareholder is not registered with KRA: the following documents will be required to be submitted (duly filled and completed)

- CKYC form including FATCA, IPV, OSV if applicable;
- KRA form;
- KYC form Documents required (all documents self-attested): PAN card copy, Address proof & Bank details (cancelled cheque);
- DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode.

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

b. **In case of Shareholder being a HUF**

If Shareholder is registered with KYC Registration Agency (“KRA”), the following documents will be required to be submitted (duly filled and completed)

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable;
- Know Your Client (KYC) form Documents required (all documents self-attested): Bank details (cancelled cheque);
- DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode.

If Shareholder is not registered with a KRA, the following documents will be required to be submitted (duly filled and completed)

- CKYC form of ‘karta’ including FATCA, IPV, OSV if applicable;
- KRA form;

- Know Your Client (KYC) form Documents required (all documents self-attested): PAN card copy of HUF & KARTA, Address proof of HUF & KARTA, HUF declaration, Bank details (cancelled cheque);
- DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode.

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

c. **In case of Public Shareholder being other than Individual and HUF:**

If Shareholder is already registered with a KRA, the following documents will be required to be submitted (duly filled and completed)

- Know Your Client (KYC) form Documents required (all documents certified true copy): Bank details (cancelled cheque);
- DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode;
- FATCA, IPV, OSV if applicable;
- Latest list of directors/authorised signatories/partners/trustees;
- Latest shareholding pattern;
- Board resolution;
- Details of ultimate beneficial owner along with PAN card and address proof ;
- Last 2 years financial statements.

If Shareholder is not registered with a KRA, It may be noted that other than submission of above forms and documents in person verification may be required.

- KRA form;
- Know Your Client (KYC) form Documents required (all documents certified true copy):
- PAN card copy of company/ firm/trust
- Address proof of company/ firm/trust
- Bank details (cancelled cheque)
- DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode;
- FATCA, IPV, OSV if applicable;
- Latest list of directors/authorised signatories /partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees;
- Latest shareholding pattern;
- Board resolution/partnership declaration;
- Details of ultimate beneficial owner along with PAN card and address proof;
- Last 2 years financial statements;
- MOA/Partnership deed /trust deed.

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

8.12. **Procedure for tendering Equity Shares held in dematerialised form:**

- The Equity Shareholders who are holding the Equity Shares in electronic/ dematerialised form and who desire to tender their Equity Shares in this Offer shall approach their respective Stock Broker (“**Selling Broker**”) indicating details of Shares they wish to tender in the Offer.
- The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Offer using the Acquisition Window of the BSE. The Equity Shareholders are required to transfer, through their

respective depository participants, the Equity Shares intended to be tendered to the early pay-in account of the Clearing Corporation. Such 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.

- iii. For Custodian participant order 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 the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- iv. Upon placing the bid, the Selling Broker(s) shall provide Transaction Registration Slip ““TRS”) generated by the Exchange Bidding System to the Shareholders. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No of Shares tendered, etc.
- v. In case of receipt of Equity Shares in the Special Account of the Clearing Corporation and a valid bid in the exchange bidding system, the Offer shall be deemed to have been accepted, for demat Shareholders.
- vi. The Equity 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 prorate acceptance in the Offer.
- vii. **The Equity Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance.**

8.13. **Procedure for tendering Equity Shares held in Physical Form:**

As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with SEBI notification No. SEBVLADNRO/GN/2018/49 dated November 30, 2018, and the press releases dated December 03, 2018 and March 27, 2019 issued by SEBI, effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Hence, Public Shareholders desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

8.14. **Procedure for tendering the shares in case of non-receipt of Letter of Offer:**

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

In case the Equity Shares are in dematerialised form:

A Shareholder, who are holding the Equity Shares in electronic / dematerialised form and who desire to tender their Equity Shares in this Offer, may participate in the Offer by approaching their broker/Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Letter of Offer.

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

Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents as mentioned in paragraphs 8.12. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Offer.

In case the Equity Shares are in physical form:

As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with SEBI notification No. SEBVLADNRO/GN/2018/49 dated November 30, 2018, and the press releases dated December 03, 2018 and March 27, 2019 issued by SEBI, effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Hence, Public Shareholders desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

In case of non-receipt of the Letter of Offer, such Equity Shareholders of the Target Company may download the same from the website of SEBI i.e. 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.

8.15. Acceptance of 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 Offer Shares, the Acquirer and PAC 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.

8.16. Settlement Process:

- i. On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.
- ii. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of Clearing Corporation.
- iii. 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 which will be provided by the Acquirer and PAC.
- iv. In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to

settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Offer.

- v. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by the Clearing Corporation.
- vi. In case of partial or non-acceptance of orders the balance demat Equity Shares shall 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 shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- vii. The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Offer.

8.17. Settlement of Funds / Payment Consideration:

- i. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- ii. The funds received from Buyer Broker by the Clearing Corporation will be released to the Shareholder/Selling Broker(s) as per secondary market pay out mechanism.
- iii. For Equity Shares accepted under the Offer, Clearing Corporation will make direct funds pay-out to respective Equity Shareholders. If shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders. The Equity Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- iv. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- v. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder.
- vi. 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 shareholders of the Target Company who have accepted the 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, 2011.

9. COMPLIANCE WITH TAX REQUIREMENTS:

A. General

- 9.1. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Act. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "Situs" of such shares. "Situs" of the shares is generally where a company is "incorporated". Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act, 1961 ("IT Act").
- 9.2. Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for income-tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e. stock-in-trade).
- 9.3. The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates.
- 9.4. Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year.
- 9.5. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.
- 9.6. Taxability of Capital Gain in the hands of the Public Shareholders:
 - i. The Finance Act, 2018 had withdrawn the exemption under Section 10(38) of the Income Tax Act for 'long term capital gains' arising from transfer of listed equity shares on or after April 1, 2018. The provisions of Section 112 and 112A of the Income Tax Act provides for taxation of income arising from the transfer of such equity shares, which is explained in the following paragraphs.
 - ii. Section 112A of the Income Tax Act, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale. Under this provision the capital gains tax would be calculated on gains exceeding INR 100,000 (Indian 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 transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

The provisions of Section 112A of the Income Tax Act shall not be applicable if such equity shares were acquired on or after October 1, 2004 and STT was not paid at the time of acquisition. In this regard, the Central Government has issued a Notification No. 60/2018/F.No.370142/9/2017-TPL dated October 1, 2018, providing certain situations wherein Section 112A of the Income Tax Act will continue to be applicable even if STT was not paid at the time of acquisition of equity shares. The gist of situations provided under said Notification is as follows:
 - iii. Where acquisition of existing listed equity share in a company, whose equity shares are not frequently traded on recognized stock exchanges of India, was made through a preferential issue;

- iv. Where transaction for acquisition of existing listed equity share in a company was not entered through recognized stock exchanges of India;
- v. Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from recognized stock exchanges and ending on the date on which the company was again listed on recognized stock exchanges in accordance with the Securities Contracts (Regulation) Act, 1956 read with the SEBI Act and any rules made thereunder.

The above notification *inter alia* provides certain exceptions to the above situations where the provisions of Section 112A will not apply.

- vi. As per Section 111A of the Income Tax 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).
- vii. Any applicable surcharge and education cess would be in addition to above applicable rates.

9.7. Taxability of Business Income in the hands of the Public Shareholders:

- i. Income from sale of shares may also be classified as Income from “Profits and Gains from Business and Profession”. Such characterization of Income from sale of shares is dependent on the facts of each case.
- ii. Additionally, certain clarifications have also been issued by tax authorities with respect to classification of income from sale of shares as Business Income and the same also needs to be analysed in the light of the facts of each case.

9.8. In case of resident Public Shareholders, in absence of any specific provision under the Income Tax Act, the Acquirer shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. However, 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.

9.9. The tax implications are based on provisions of the Income Tax Act as applicable as on date of this Letter of Offer. In case of any amendment made effective prior to the date of closure of this Offer, then the provisions of the Income Tax Act as amended would apply.

9.10. 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.

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER AND PAC AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.

10. DOCUMENTS FOR INSPECTION

The copies of the following documents shall be available for inspection to the Public Shareholders at the office of the Manager to the Offer, Pantomath Capital Advisors Private Limited, situated at 406-408, Keshava Premises, Behind Family Court, Bandra – Kurla Complex, Bandra – East, 400 051, on any working day (except Saturdays, Sundays and bank holidays) between 10.30 a. m. to 3.00 p.m. during the period from the Date of Commencement of the Tendering Period till the Date of Closing of the Tendering Period.

- i. Copy of Share Purchase Agreement dated November 27, 2018, entered by and among the Acquirer and PAC, Target Company and the Sellers, which triggered this Offer;
- ii. Certificate of Incorporation, Memorandum of Association and Articles of Association of the Target Company;
- iii. Annual Report of the Target Company for the financial years ending March 31, 2017, March 31, 2018 and March 31, 2019 and limited reviewed financials for half year ended September 30, 2019;
- iv. Certificate dated January 10, 2020, issued by Manik Kalra & Associates, Chartered Accountants (Firm registration number: 209705) having office at House Number 404, Sector 13, Urban Estate, Kurukshetra – 136 118, certifying the net worth of Acquirer, PAC 1 and PAC 2;
- v. Certificate dated January 10, 2020, issued by Manik Kalra & Associates, Chartered Accountants (Firm registration number: 209705) having office at House Number 404, Sector 13, Urban Estate, Kurukshetra – 136 118, certifying that the Acquirer has firm and adequate financial resources to meet the financial obligations under the Offer;
- vi. Escrow Agreement between the Acquirer, Manager to the Offer and the Escrow Bank, IndusInd Bank Limited dated November 27, 2018 and amendment agreement to the Escrow Agreement dated January 16, 2020;
- vii. Bank Guarantee dated January 15, 2020 issued by Barclays Bank PLC acting through its branch office at 1st Floor, Eros Corporate Tower, Nehru Place, New Delhi – 110019, India, of an amount of INR 182,325,000 (Indian Rupees Eighteen Crore Twenty Three Lakh and Twenty Five Thousand only) in favour of Manager to the Offer;
- viii. Letter dated November 28, 2018 from IndusInd Bank Limited confirming the amount deposited in the Escrow Account;
- ix. Public Announcement dated November 27, 2018 and published copy of Detailed Public Statement, which appeared on December 04, 2018;
- x. Published copy of the recommendation made by the independent directors of the Board of Directors of the Target Company as required in terms of Regulation 26(7) of SEBI (SAST) Regulations, 2011;
- xi. Copy of the Offer opening public announcement cum corrigendum published by the Manager on behalf of the Acquirer;
- xii. Observation Letter No. SEBI/HO/CFD/DCRI/OW/P dated January 9, 2020 issued by SEBI.

11. DECLARATION BY THE ACQUIRER AND PAC

The Acquirer and PAC accept full responsibility, jointly and severally, for the information contained in the PA, the DPS and this Letter of Offer other than such information as has been obtained from public

sources or provided or confirmed by the Target Company and also for ensuring the compliance with the obligations of the Acquirer and PAC as laid down in terms of the SEBI (SAST) Regulations, 2011.

We, the Acquirer and PAC, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this Letter of Offer is in compliance with the SEBI (SAST) Regulations, 2011, and that it contains all information with regard to the Offer, which is material in the context of the Offer, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Manager to the Offer hereby states that the person(s) signing this Letter of Offer is the Acquirer and PAC or duly and legally authorized person of the Acquirer and PAC to sign this LoF.

On behalf of the Acquirer

Sd/-

Raghav Bahl

On behalf of the PAC 1

Sd/-

Ritu Kapur

On behalf of the PAC 2

Sd/-

Mohan Lal Jain

Place: Noida

Date: January 16, 2020

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FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT- GAURAV MERCANTILES LIMITED

(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the letter of offer dated January 16, 2020 (“LOF”))

From	TENDERING PERIOD FOR OPEN OFFER	
Name:		
Address:	OPEN OFFER OPENS ON	Monday, January 27, 2020
Tel. No:	OPEN OFFER CLOSES ON	Friday, February 7, 2020
Fax:		
Email:		

To,

The Acquirer

C/o Skyline Financial Services Private Limited
 A/505, Dattani Plaza, Andheri Kurla Road, Safeed Pool,
 Andheri(E), Mumbai – 400072
 Tel: + 91 22 28511022
 Email: subhashdhingreja@skylinerta.com
 Contact Person: Subhash Dhingreja

Sub: Open Offer for acquisition of up to 4,810,000 (Forty Eight Lakh Ten Thousand Only) fully paid-up equity shares of face value of Rs. 10 each (“Equity Shares”) of Gaurav Mercantiles Limited (“Target Company”) from the Public Shareholders of the Target Company by Raghav Bahl (“Acquirer”) along with Ritu Kapur (“PAC1”) and Mohan Lal Jain (“PAC2”) (hereinafter collectively referred to as “PAC”) (“Open Offer”).

Dear Sir,

I / We refer to the LOF dated January 16, 2020 for acquiring the Equity Shares held by me / us in the Target Company.

I / We, the undersigned, have read the PA, the DPS, the LOF, and the Open Offer opening public announcement, and understood their contents, including the terms and conditions mentioned therein and unconditionally accept such terms and conditions.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

Details of Public Shareholder:

NAME (in BLOCK LETTERS)	Holder	Name of the public shareholder(s)	Permanent Account Number (PAN)
(Please write names of the joint holders in the same order as appearing in the demat account)	Sole/First		
	Second		
	Third		
Contact number(s) of the first holder	Tel No. (with STD Code): Fax No. (with STD Code):		Mobile No.:
Full address of the first holder (with pin code)			
Email address of the first holder			
Date and Place of incorporation (if applicable)			

For all Eligible Public Shareholders

1. I / We confirm that the Offer 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.
2. I / We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.
3. 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 Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.
4. I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certifications, documents and signatures, as applicable submitted along with this Form of Acceptance. I / We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me / us.
5. I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed herewith.
6. I / We confirm that I / We are not persons acting in concert or persons deemed to be acting in concert with the Acquirer or the Seller.
7. I / We give my/our consent to the Acquirer to file any statutory documents on my/our behalf in relation to accepting the Offer Shares in this Open Offer.
8. I / We confirm that I / we are in compliance with the terms of the Open Offer set out in the PA, the DPS, and the LOF.
9. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.
10. I / We are / am not debarred from dealing in shares or securities.
11. I / We confirm that there are no taxes or other claims pending against me / us which may affect the legality of the transfer of Offer Shares under the Income Tax Act, including but not limited to section 281 of the Income Tax Act.
12. I / We note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
13. 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, or as a result of income tax (including any consequent interest and penalty) on the capital gains arising from tendering of the Offer Shares or any other payments, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co- operate in any proceedings before any income tax / appellate authority.
14. I / We authorise the Acquirer to accept the Offer Shares so offered or such lesser number of Offer Shares which the Acquirer may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the LOF. I / we further authorize the Acquirer to return to me / us, Equity Shares in respect of which this Open Offer is not found valid / not accepted without specifying the reasons thereof.

The bank account details for the purpose of payment of consideration will be taken from the record of the depositories.

FOR NRIs/ OCBs/ FIIs AND SUB-ACCOUNTS/ OTHER NON-RESIDENT SHAREHOLDERS

I/We, confirm that my/ our status as a shareholder is (√ whichever is applicable)

<input type="checkbox"/> Individual	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FPI - Corporate	<input type="checkbox"/> FPI - Others	<input type="checkbox"/> FVCI
<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Private Equity Fund	<input type="checkbox"/> Pension/ Provident Fund	<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Partnership/ Proprietorship Firm
<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs/PIOs- repatriable	<input type="checkbox"/> NRIs/ PIOs - non repatriable	<input type="checkbox"/> OCB	<input type="checkbox"/> QFI
<input type="checkbox"/> Insurance Company	<input type="checkbox"/> Indian Company	<input type="checkbox"/> Indian Trust	<input type="checkbox"/> Others - please Specify	

I/We, confirm that my/ our investment status is (please provide supporting documents and ✓ whichever is applicable)

- FDI Route
- PIS Route
- Any other - please specify

In case of non-resident Public Shareholders, I/We, confirm that the Offer 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 or other regulatory approval was required by me for holding Offer Shares that have been tendered in this Open Offer and the Offer Shares are held under general permission of the RBI.
- Copies of all approvals required by me for holding Offer Shares that have been tendered in this Open 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 or other regulatory approval is required by me for tendering the Offer Shares in this Open Offer.
- Copies of all approvals required by me for tendering Offer Shares in this Open Offer are enclosed herewith.

Additional confirmations and enclosures for all Public Shareholders, as applicable I / We, have enclosed the following documents (✓ whichever is applicable):

- Self-attested copy of PAN card.
- Self-declaration form in Form 15 G / Form 15 H, in duplicate copy.
- Certificate from Income-tax Authorities for deduction of tax at lower or nil rate.
- For Banks, LIC, Unit Trust of India and other specified entities covered under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification.
- 'Valid Tax Residency Certificate' issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Public Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Public Shareholder claims to be resident and a duly filled in 'Form 10F' as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India.
- SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act.

Yours faithfully,

Signed and Delivered	Full Name	PAN	Signature
Sole/ First Holder			
Second Holder			
Third Public Holder			

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary board resolutions should be attached.

Place:

Date:

----- Tear Here -----

Acknowledgement Receipt – Gaurav Mercantiles Limited - Open Offer

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

Form of Acceptance-cum-Acknowledgement for Gaurav Mercantiles Limited -Open Offer as per details below:

Copy of delivery instruction to depository participant of Client ID _____ for _____ Equity Shares

Date of Receipt:

Place of Receipt:

INSTRUCTIONS

PLEASE NOTE THAT **NO** OFFER SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE TARGET COMPANY OR THE MANAGER TO THE OFFER

1. This Form must be legible and should be filled in English only.
2. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
3. In case of Offer Shares held in joint names, names should be filled in the same order in this Form, as the order in which they hold the Offer Shares and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Open Offer.
4. If the Offer Shares are rejected for any reason, the Offer Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
5. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Offer Shares in respect of which the acceptance is being sent.
6. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
7. As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with SEBI notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, and the press releases dated December 3, 2018 and March 27, 2019 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Hence, Public Shareholders desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.
8. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
9. No indemnity regarding title is required from persons not registered as Public Shareholders.
10. Procedure for tendering the Offer Shares in case of non-receipt of LOF:
 11. Public Shareholders may participate in the Open Offer by confirming their consent to participate in this Open Offer on the terms and conditions of this Open Offer as set out in the PA, the DPS, LOF, and the offer opening public announcement. They can participate by submitting an application on plain paper giving the details mentioned in paragraph 8.14 of the LOF and other relevant documents as mentioned in the LOF. Public Shareholders must ensure that the Form of Acceptance, along with the TRS and requisite documents should reach the Registrar to the Offer within 2 days of the close of Tendering Period. If the signature(s) of the Public Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Target Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.

Alternatively, such holders of Offer Shares may also apply on the form of acceptance in relation to this Open Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or from Registrar to the Offer.
12. The procedure for acceptance and settlement of the Offer and the note on taxation have been provided in the LOF under paragraphs 8 and 9, respectively.
13. The LOF along with Form of Acceptance is being dispatched to all the Public Shareholders as on the Identified Date. In case of non-receipt of the LOF, such shareholders 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 Offer Shares.
14. If non-resident Public Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval

from the RBI) and submit such approvals, along with the other documents required in terms of the LOF, and provide such other consents, documents and confirmations as may be required to enable the Acquirer to purchase the Offer Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.

15. **The Form of Acceptance or TRS is not required to be submitted to the Target Company, Manager to the Offer or the Registrar to the Offer or Registrar to the Company. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Offer shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.**
16. In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act or DTAA provisions as may be applicable.
17. If the shareholders require that no tax is to be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the following documents are required to be submitted to the Registrar to the Offer:

For resident shareholders:

- Self-attested copy of PAN card.
- Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of
- Offer Price (certificate for deduction of tax at lower rate).
- Self-declaration in Form 15G / Form 15H (in duplicate), if applicable.
- For Banks, LIC, Unit Trust of India and other specified entities covered under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any).
- SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the

For non-resident shareholders

- Self-attested copy of PAN card.
- Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities, indicating the amount of tax to be deducted by the Acquirer before remitting the amount of interest).
- Tax Residency Certificate, Form 10F and a no 'permanent establishment' / business connection declaration.

In an event of non-submission of aforesaid documents as may be applicable, tax will be deducted at the maximum rate applicable to the relevant category to which the shareholder belongs, by the Acquirer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING OFFER SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LOF.

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



Skyline Financial Services Private Limited

A/505, Dattani Plaza, Andheri Kurla Road, Safeed Pool, Andheri(E), Mumbai – 400072

Tel: + 91 22 28511022

Email: subhashdhingreja@skylinerta.com

Contact Person: Subhash Dhingreja

SEBI Registration No.: INR 000003241

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