

SAFFRON

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Saffron Capital Advisors Private Limited

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CIN No. U67120MH2007PTC166711

January 03, 2019

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Sub: Proposed Open Offer by ICL Fincorp Limited (“Acquirer”) to acquire upto **29,50,280** equity shares of Re. 1/- each for cash at a price of **Rs.26.40/-** aggregating upto Rs. **7,78,87,392** (Rupees Seven Crores Seventy Eight Lakhs Eighty Seven Thousand Three Hundred Ninety Two Only) to the public shareholders of Salem Erode Investments Limited (“Target Company”) in accordance with the extant Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”) (“Open Offer”).

Dear Sir,

We have been appointed as ‘Manager’ to the captioned Open Offer by the Acquirer in terms of regulation 12(1) of the Takeover Regulations. In this regard, pursuant to regulation 14(4) of the Takeover Regulations we are enclosing the following for your kind reference and records:-

1. A copy of Detailed Public Statement dated January 02, 2019, (“DPS”) duly signed by Mr. K G Anilkumar, for and on behalf of the Acquirer vide board resolution dated November 29, 2018. The DPS was published today, January 03, 2019 in the following newspapers:-

| Sr. No. | Newspapers | Language | Editions |
|---------|-------------------|----------|-------------------------------------|
| 1 | Financial Express | English | All Editions |
| 2 | Jansatta | Hindi | All Editions |
| 3 | Mumbai Lakshadeep | Marathi | Mumbai |
| 4 | Duranta Barta | Bengali | Registered office of Target Company |

2. Soft copy of DPS in compact disk

In case of any clarification required, please contact the undersigned on (D) 022 4082 0914,
Email- amit@saffronadvisor.com

For Saffron Capital Advisors Private Limited

Amit Wagle
03/01/2019
Amit Wagle
Senior Vice President
Equity Capital Markets
Encl: a/a



DETAILED PUBLIC STATEMENT IN TERMS OF REGULATIONS 13(4) AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 TO THE EQUITY SHAREHOLDERS OF

SALEM ERODE INVESTMENTS LIMITED

Registered Office: 14, Motilal Nehru Road, Kolkata, West Bengal 700029, India. Tel: + 91- 33- 4003 2108; Email: salemereinvestmentsltd@gmail.com;
Website: www.salemerode.com. Corporate Identification Number: L31200WB1931PLC007116.

OPEN OFFER ("OPEN OFFER" / "OFFER") FOR ACQUISITION OF UP TO 29,50,280 (TWENTY NINE LAKHS FIFTY THOUSAND TWO HUNDRED EIGHTY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RE. 1 EACH ("EQUITY SHARES"), REPRESENTING #25.73% OF THE TOTAL SHARE CAPITAL OF SALEM ERODE INVESTMENTS LIMITED ("TARGET COMPANY") ON A FULLY DILUTED BASIS, AS OF THE TENTH WORKING DAY FROM THE CLOSURE OF THE TENDERING PERIOD OF THE OPEN OFFER ("VOTING SHARE CAPITAL"), FROM THE ELIGIBLE SHAREHOLDERS OF THE TARGET COMPANY ("PUBLIC SHAREHOLDERS") FOR CASH AT A PRICE OF RS. 26.40/- PER EQUITY SHARE AGGREGATING UP TO RS. 7,78,87,392 (RUPEES SEVEN CRORES SEVENTY EIGHT LACS EIGHTY SEVEN THOUSAND THREE HUNDRED NINETY TWO ONLY) BY ICL FINCORP LIMITED (ACQUIRER).

(# As per Takeover Regulations, the open offer under regulations 3 and 4 shall be for at least 26% of the total shares of the target company, as of 10th working day from the closure of the tendering period. However, the public shareholding of the Target Company is 25.73% as on date, and therefore, the Offer Shares represent 25.73% of the fully diluted Voting Share Capital of the Target Company.)

THIS DETAILED PUBLIC STATEMENT ("DPS") IS BEING ISSUED BY SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, THE MANAGER TO THE OFFER ("MANAGER"), FOR AND ON BEHALF OF THE ACQUIRER IN COMPLIANCE WITH REGULATION 13(4) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMENDMENTS THERETO, ("BSE") ("STOCK EXCHANGE") FROM DECEMBER 28, 2018, IN TERMS OF REGULATIONS 3(1) AND 4 OF THE TAKEOVER REGULATIONS. THE PA WAS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND SENT TO THE TARGET COMPANY ON DECEMBER 28, 2018 BY WAY OF LETTERS DATED DECEMBER 28, 2018, IN TERMS OF REGULATION 14(2) OF THE TAKEOVER REGULATIONS.

I. ACQUIRER, SELLER, TARGET COMPANY AND OFFER

1. INFORMATION ABOUT THE ACQUIRER- ICL FINCORP LIMITED

- The Acquirer was originally incorporated as "Jawahar Finance Limited" as a public limited company under the Companies Act, 1956 vide Certificate of Incorporation dated December 18, 1991 issued by the Registrar of Companies, Tamil Nadu. The Acquirer received Certificate of Commencement of Business dated February 21, 1992 issued by the Registrar of Companies, Tamil Nadu. The name of the Acquirer was changed to "Irinjalakuda Credits & Leasing Company Limited" on April 26, 2004 vide a Fresh Certificate of Incorporation pursuant to change of name issued by the Registrar of Companies, Chennai, Tamil Nadu. Subsequently the name of the Acquirer was changed to "ICL FinCorp Limited" on May 08, 2016 vide a Certificate of Incorporation pursuant to change of name issued by the Deputy Registrar of Companies, Chennai, Tamil Nadu.
- Registered office of the Acquirer is situated at No.61/1, VGP Complex First Avenue, Ashok Nagar, Chennai, Tamil Nadu- 600083, India. Tel: 044-23713139; Email: askn@iclfincorp.com. Corporate office of the Acquirer is situated at Near State Bank of India, Main Road, Irinjalakuda, Thirissur, Kerala 680121, India. Tel: 0480 2821939; Email: cs@iclfincorp.com; Website: www.iclfincorp.com
- Corporate Identification Number of the Acquirer is U65191TN1991PLC021815. (Source: www.mca.gov.in)
- The Acquirer is a Non-Banking Financial (Non Deposit Accepting or Holding) registered with Reserve Bank of India bearing registration no. B-07.00437.
- Acquirer is currently engaged into business of providing fund-based services including Gold loans, Business loans, Hypothecation loans, Property loans etc.
- Acquirer is holding a Permanent Account Number- AAACJ1806C.
- The issued and paid up share capital of the Acquirer is Rs 35,93,29,240 comprising of 3,59,32,924 equity shares of face value Rs.10 each. (Source: www.mca.gov.in)
- Equity shares of the Acquirer are not listed on any of the recognized stock exchanges.
- As on the date of this DPS, the following are the promoters of the Acquirer and their shareholding is as mentioned below:

| Sr. No. | Particulars | No. of shares held | Percentage of shareholding |
|---------|-------------------|--------------------|----------------------------|
| 1. | Anilkumar K G | 1,10,87,450 | 30.86 |
| 2. | Umadevi Anilkumar | 38,49,799 | 10.71 |
| 3. | Amaljiith Menon | 61,472 | 0.17 |
| 4. | Rajeev D | 48,000 | 0.13 |
| 5. | Asoob P C | 52,666 | 0.15 |
| 6. | Sabu K Varghese | 41,333 | 0.12 |
| 7. | Shajitha Suresh | 21,333 | 0.06 |
| 8. | Wilson K K | 21,333 | 0.06 |
| | Total | 1,51,83,386 | 42.25 |

- Key financial information of Acquirer based on its audited financial statements for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 and for period ended November 30, 2018 is as given below:

| Particulars | For the period ended November 30, 2018 | For the year ended March 31, | | |
|---|--|------------------------------|-------|-------|
| | | 2018 | 2017 | 2016 |
| Total Revenue (including other income) | 22.28 | 29.08 | 12.83 | 3.82 |
| Profit/(loss) after tax (after minority interest) | (5.40) | 0.74 | 0.36 | 0.24 |
| Earnings/(loss) per share | (1.68) | 0.33 | 0.29 | 0.93 |
| Shareholders' Funds | 47.70 | 32.02 | 24.38 | 10.80 |

- The Network of Acquirer as on November 30, 2018 is Rs. 38.35 Crores (Rupees Thirty Eight Crores Thirty Five Lacs only) and the same is certified by Mr. Mohandas A. Partner of M/s Mohandas & Associates, Chartered Accountants (Membership No. 036726) having office at 11/3 floor, Sree Residency, Press Club Road, Thirissur-1, Kerala. Tel: 0487 2333124; Email id: ma.auditors@gmail.com, vide certificate dated December 24, 2018.
- Acquirer is not part of any group.
- Acquirer confirms that it has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulation made under the SEBI Act.
- Acquirer undertakes not to sell the Equity Shares of the Target Company held by it during the "Offer Period" in terms of Regulation 25(4) of the Takeover Regulations.
- There is no Person Acting in Concert ("PAC") along with Acquirer for the Open Offer.
- Acquirer confirms that currently there are no pending litigations pertaining to securities market where it is made party to.
- Acquirer confirms that it is not related to the Promoters, Directors or key employees of the Target Company in any manner.
- Acquirer has confirmed that it is not categorized as a "willful defaulter" in terms of regulation 2(1) (ze) of the Takeover Regulations.
- Acquirer does not hold any Equity Shares of the Target Company as on the date of this DPS. Hence compliance with Chapter V of the Takeover Regulations and Chapter II of Takeover Regulations, 1997 are not applicable.

2. INFORMATION ABOUT THE SELLERS

- Pursuant to the Share Purchase Agreement ("SPA") dated December 28, 2018, the Acquirer has agreed to purchase 85,15,240 Equity Shares constituting 74.27% of the Voting Share Capital of the Target Company at price of Rs. 26.37 per Equity Share from the following Promoter and Promoter Group members of the Target Company, (collectively referred to as the "Sellers"):

| Sr. | Name of the Seller and PAN | Address/ Registered Office | Whether part of Promoter and Promoter Group | Details of shares/voting rights held by the Sellers | | | |
|----------|---|--|---|---|------------------|--------|-----|
| | | | | Pre Transaction | Post Transaction | Number | % |
| Seller 1 | Kusum Kanoria PAN: AEWPK6115N | 1 st Floor, Flat 1 B, 11A Burdwan Road, Alipore, Kolkata, West Bengal- 700027 | Yes | 38,27,120 | 33.38 | | |
| Seller 2 | Padma Kanoria PAN: AFNPK5104K | 1 st Floor, Flat 1 B, 11B Burdwan Road, Alipore, Kolkata, West Bengal-700027 | Yes | 25,91,000 | 22.60 | | NIL |
| Seller 3 | Tara Investments Limited PAN: AAAC19730F | 14, Motilal Nehru Road, Kolkata, West Bengal-700029, India | Yes | 20,97,120 | 18.29 | | |
| | TOTAL | | | 85,15,240 | 74.27 | | |

- The Sellers do not belong to any group.
- Seller 3 was originally incorporated as Tara Investments Private Limited as a private company under the Companies Act, 1956 vide certificate of incorporation dated December 28, 1974. Subsequently Seller 3 was converted into a public limited company and the name was changed to "Tara Investments Limited". The registered office of Seller 3 is situated at 14, Motilal Nehru Road, Kolkata, West Bengal- 700029, India. Equity shares of Seller 3 are not listed at any of the stock exchanges.
- None of the Sellers as mentioned above have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulation made under the SEBI Act, 1992.

3. INFORMATION ABOUT THE TARGET COMPANY

- The Target Company was originally incorporated as "Salem-Erode Electricity Distribution Co. Limited" as a public limited company under the provision of Companies Act, 1913 vide Certificate of Incorporation dated May 16, 1931 issued by the Assistant Registrar of Joint Stock Companies, Bengal. The Target Company received Certificate of Commencement of Business on June 22, 1931 from the Registrar of Joint Stock Companies, West Bengal. The name of the Target Company was changed to "Salem Erode Tea & Investment Co. Limited" on November 28, 1975 vide a Certificate of Incorporation pursuant to change of name issued by the Assistant Registrar of Companies, West Bengal. Subsequently the name of the Target Company was changed to "Salem Erode Investments Limited" on July 24, 1992 vide a Certificate of Incorporation pursuant to change of name issued by the Assistant Registrar of Companies, West Bengal. The registered office of the Target Company is situated at 14 Motilal Nehru Road, Kolkata, West Bengal- 700029, India. Tel: + 91- 33- 4003 2108; Email: salemereinvestmentsltd@gmail.com; Website: www.salemerode.com.
- Corporate Identification Number of the Target Company is L31200WB1931PLC007116. (Source: www.mca.gov.in)
- The Authorized Share Capital of the Target Company is Rs. 1,20,00,000 comprising of 12,00,000 Equity Shares of face value Re. 1 each. The Issued Share Capital of the Target Company is Rs. 1,14,65,820 comprising of 1,14,65,820 Equity Shares of face value Re. 1 each. Subscribed and paid up Share Capital of the Target Company is Rs. 1,14,65,595 (including amount received on first call i.e. Rs. 75 (Rs. 2.50 x 30 Equity Shares) towards partly paid equity shares) comprising of 1,14,65,520 Equity Shares of face value Re. 1 each. The board of directors of the Target Company forfeited 30 Equity shares on account of arrears in payment of call money. (Source: Annual report of the Target Company for financial year 2017-18).
- The face value of Equity shares of the Target Company were subdivided from Rs. 10 each to Re. 1 each on April 07, 2014. [Source: Information Memorandum dated October 18, 2016 filed by the Target Company with BSE Ltd]
- The Target Company is a Non-Banking Financial (Non Deposit Accepting or Holding) registered with Reserve Bank of India bearing registration no. 05. 01295 and engaged in the business of investment in share and securities of listed and unlisted entities, providing of loan and advances to SME and individuals.
- Target Company made maiden public issue and its Equity Shares were listed on Madras Stock Exchange Limited ("MSE"). Upon exit of MSE as stock exchange, Equity Shares of the Target Company were shifted to the dissemination board of National Stock Exchange of India Limited w.e.f March 27, 2015. Subsequently, the Target Company made an application to BSE for listing of its Equity Shares and BSE issued its In Principle Approval for the same on August 29, 2016. Equity Shares of the Target Company have been listed on BSE and were admitted for trading w.e.f November 16, 2016.
- In 2010, pursuant to a Scheme of Amalgamation, A P Finance Limited and OSCO Tea Limited were amalgamated with the Target Company by order dated August 2, 2010 passed by the Hon'ble High Court at Calcutta. Except the aforesaid, there have been no instances of mergers/amalgamations or corporate restructuring in the Target Company.
- There are no outstanding partly paid up shares or any other convertible instruments to be converted into Equity

Shares of the Target Company at a future date.

- The Equity Shares of the Target Company are currently listed only on BSE Limited ("BSE") (Scrip Code: 540181) (Source: www.bseindia.com)
- The Equity Shares of the Target Company are not frequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the Takeover Regulations. (Source: www.bseindia.com).
- Target Company confirms that the trading in the Equity Shares of the Target Company was never suspended on BSE.
- The brief standalone audited financial information of the Target Company for the financial years ended 31 March 2016, 2017, 2018 and unaudited financials for the six months period ended September 30, 2018 are as under:-

| Particulars | For the period ended September 30, 2018 | For the year ended March 31, | | |
|--|---|------------------------------|-------|-------|
| | | 2018 | 2017 | 2016 |
| Total Revenue (Revenue from Operations + Other Income) | 0.91 | 1.41 | 1.39 | 11.34 |
| Net profit/(Loss) (After tax) | 0.52 | 0.83 | 0.36 | 9.68 |
| EPS | 0.45 | 0.73 | 0.41 | 8.44 |
| Net Worth | 17.77 | 17.25 | 16.42 | 15.97 |

(Rs. in Crores except EPS)
(Source: Annual reports of the Target Company for the financial years 2016 to 2018 and limited reviewed report for half year ended September 30, 2018)

- The board of directors of the Target Company consists of Mr. Vishwanath Purohit, (DIN: 00291853), Mr. Ashok Hamirbasia, (DIN: 00291954), Sunil Kanoria (DIN: 00789030), Harsh Bhardwaj (DIN: 02819677), Prashant Gupta (DIN: 06915283) and Ekta Goswami (DIN: 07412983) Source: (www.mca.gov.in).
- None of the directors of the Target Company represent the Acquirer.

4. DETAILS OF THE OFFER

- On December 28, 2018, the Acquirer entered into SPA with the Sellers for purchase of up to 85,15,240 Equity Shares constituting 74.27% of the Voting Share Capital ("Sale Shares") at a price of Rs. 26.37 (Rupees Twenty Six and Thirty Seven Paise only) per Equity Share payable in cash (the purchase of the Sale Shares under the SPA is referred to as the "Transaction"). The Acquirer is making this Offer under regulations 3(1) & 4 of the Takeover Regulations to all the Public Shareholders of the Target Company, to acquire up to 29,50,280 (Twenty Nine Lacs Fifty Thousand Two Hundred Eighty) Equity Shares, of face value Re. 1/- each representing 25.73% of the Total Voting Share Capital of the Target Company.
- This Offer is being made at a price of Rs. 26.40/- (Rupees Twenty Six and Forty Paise only) (the "Offer Price") per fully paid up Equity Share of face value Re. 1/- each of the Target Company, payable in cash in accordance with Regulation 9(1)(a) of the Takeover Regulations.
- This Offer is not conditional on any minimum level of acceptance and is not a competing offer in terms of Regulations 19 and 20 respectively of the Takeover Regulations.
- The acquisition of Offer Shares is subject to receipt of prior approval from RBI under "Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015" in terms of RBI Notification No. DNBR, (PD) 029/CGM(CDS)-2015 dated July 09, 2015 for transfer of management and control of Non-Banking Finance Company. Other than the aforesaid, as of the date of this DPS, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case if any such statutory approvals are required by the Acquirer at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.
- The Equity Shares of the Target Company will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- To the best of the knowledge and belief of the Acquirer, as on the date of this DPS, there are no statutory or other approvals required to implement the Offer other than as indicated in section VI of this DPS. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Acquirer will be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event such statutory approvals are refused in terms of regulation 23 of the Takeover Regulations. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, BSE and to the Target Company at its registered office.
- The Manager does not hold any Equity Shares in the Target Company as on the date of appointment as Manager and as on the date of this DPS. They declare and undertake that they shall not deal in the Equity Shares of the Target Company during the period commencing from the date of their appointment as Manager till the expiry of 15 days from the date of closure of this Offer.
- The Acquirer does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of Takeover Regulations.
- To the extent the post-offer holding of the Acquirer in the Target Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (the "SCRR"), the Acquirer undertakes to reduce its shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and the SEBI LODR Regulations.
- If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated.

- To the extent the post-offer holding of the Acquirer in the Target Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (the "SCRR"), the Acquirer undertakes to reduce its shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and the SEBI LODR Regulations.
- If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated.

- To the extent the post-offer holding of the Acquirer in the Target Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (the "SCRR"), the Acquirer undertakes to reduce its shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and the SEBI LODR Regulations.
- If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated.

- To the extent the post-offer holding of the Acquirer in the Target Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (the "SCRR"), the Acquirer undertakes to reduce its shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and the SEBI LODR Regulations.
- If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated.

- To the extent the post-offer holding of the Acquirer in the Target Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (the "SCRR"), the Acquirer undertakes to reduce its shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and the SEBI LODR Regulations.
- If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated.

II. BACKGROUND TO THE OFFER

- The Acquirer intends to acquire up to 29,50,280 (Twenty Nine Lacs Fifty Thousand Two Hundred Eighty) Equity Shares of face value Re. 1/- each, representing 25.73% of the total Voting Share Capital of the Target Company from the Public Shareholders and acquire control in terms of regulations 3(1) & 4 of the Takeover Regulations.
- Upon completion of Transaction under the SPA and relinquishment of control by the Promoter and Promoter Group of the Target Company, the Acquirer will acquire control of the Target Company. The Acquirer shall be classified after the completion of the open offer formalities / consummation of the SPA as the new promoter of the Target Company, subject to the approval of the shareholders of the Target Company by way of an ordinary resolution in accordance with the provisions of Regulation 31A of the SEBI LODR Regulations. The reclassification shall also be subject to the compliance of the conditions specified in Regulation 31A of the SEBI LODR Regulations.
- The Offer Price is payable in cash, in accordance with Regulation 9 (1) of the Takeover Regulations.
- The object of the acquisition is substantial acquisition of Shares/voting Rights accompanied by control over the management of the Target Company.
- At present, the Acquirer does not have any plans to make major changes to the existing line of business of the Target Company. The Acquirer may continue to support the major business of the Target Company. However, in case the Acquirer intends to build new businesses it shall be subject to the prior approval of the Shareholders by way of a special resolution using the postal ballot process. Upon completion of the Offer, the Acquirer may reorganize the present Capital structure of the Company and also further strengthen the Board.

III. SHAREHOLDING AND ACQUISITION DETAILS

The current and proposed Equity Shareholding of the Acquirer in the Target Company and the details of the acquisition are as follows:

| Details | Acquirer | |
|---|--------------------|------------|
| | Number of Shares | % |
| Shareholding as on the PA date | NIL | 0.00 |
| Shares acquired through Share Purchase Agreement requiring an open offer to be made in accordance with Takeover Regulations | 85,15,240 | 74.27 |
| Shares acquired between the Public Announcement date and the DPS date | NIL | NIL |
| Shares proposed to be acquired in the Offer (assuming full acceptance) | 29,50,280 | 25.73 |
| Post Offer Shareholding on diluted basis on 10th working day after closing of Tendering period | 1,14,65,520 | 100 |

Note:
To the extent the post-offer holding of the Acquirer in the Target Company exceeds the maximum permissible non-public shareholding in terms of Regulation 30 of the SEBI LODR Regulations read with Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (the "SCRR"), the Acquirer undertakes to reduce its shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and SEBI LODR Regulations.

IV. OFFER PRICE

- The Equity Shares of the Target Company are listed on BSE only.
- The annualized trading turnover in the Equity Shares of the Target Company on BSE based on trading volume during the twelve calendar months prior to the month of PA (December 2017 to November 2018) is as given below:

| Stock Exchange | Total no. of equity shares traded during the twelve calendar months prior to the month of PA | Total no. of listed equity shares | Annualized trading turnover (as % of shares listed) |
|----------------|--|-----------------------------------|---|
| BSE | NIL (No Trading) | 1,14,65,520 | NIL (No Trading) |

(Source: www.bseindia.com)

- Based on the information provided in point above, the Equity Shares of the Target Company are infrequently traded on the BSE within the meaning of explanation provided in regulation 2(i)(j) of the Takeover Regulations.
- The Offer Price of Rs. 26.40/- (Rupees Twenty Six and Forty Paise only) is justified in terms of regulation 8 of the Takeover Regulations, being the highest of the following:

| | |
|---|----------------|
| a) Highest negotiated price per share for acquisition under the the agreement attracting the obligations to make a public announcement for the offer; | 26.37 |
| b) The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirer or by any person(s) acting in concert, during the fifty two weeks immediately preceding the date of public announcement; | Not Applicable |
| c) The highest price paid or payable for any acquisition, whether by the Acquirer or by any person(s) acting in concert, during the twenty six weeks immediately preceding the date of the Public Announcement | Not Applicable |
| d) The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period. | Not Applicable |
| e) Where the shares are not frequently traded, the price determined by the Acquirer and the Manager taking into account valuation parameters per Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares | # 20.79 |
| Other Financial Parameters as at March 31, 2018 | |
| Return on Network (%) | 4.84 |
| Book Value per share (?) | 15.05 |
| Earnings per share (Diluted) (?) | 0.73 |

Sakitoy Gupta of M/s SAGS & Associates, Chartered Accountants (Membership No. 050456) having office at 62, Selimpur Lane, Dhakuria, Kolkata- 700031; Email id: sakitoyg@rediffmail.com, vide certificate dated December 28, 2018, has certified that he has in terms of Supreme Court decision in the case of Hindustan Lever Employee Union V/s. Hindustan Lever Limited (1995) (83 Companies Cases 30), considered the (i) Net Assets Value ("NAV") Method and (ii) PEVY Method and accorded weights of 1 each to the values arrived at under each methodology for the purpose of arriving at the fair value for the Shares of the Target Company. As per the certification given, the Fair Value has been arrived at Rs. 20.79 per Equity Share.

- In view of the above parameters considered and in the opinion of the Acquirer and Manager, the Offer Price of Rs. 26.40/- per equity share is justified in terms of regulation 8 of the Takeover Regulations.
- There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
- There has been no revision in the Offer Price or to the size of this Offer as on the date of this DPS.
- An upward revision in the Offer Price or to the size of this Offer, if any, on account of compelling offers or otherwise, will be done at any time prior to the commencement of the last one working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the Takeover Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph V(3) of this DPS; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.

V. FINANCIAL ARRANGEMENTS

- Assuming full acceptance, the total funds requirements to meet this Offer is Rs. 7,78,87,392 (Rupees Seven Crores Seventy Eight Lacs Eighty Seven Thousand Three Hundred Ninety Two Only).
- The Network of Acquirer as on November 30, 2018 is Rs. 38.35 Crores (Rupees Thirty Eight Crores Thirty Five Lacs only) and the same is certified by Mr. Mohandas A. Partner of M/s Mohandas & Associates, Chartered Accountants (Membership No. 036726) having office at 11/3 floor, Sree Residency, Press Club Road, Thirissur-1, Kerala. Tel: 0487 2333124; Email id: ma.auditors@gmail.com, vide certificate dated December 24, 2018.
- In accordance with the provisions of Regulation 17(1) of the Takeover Regulations, the Acquirer has opened an Escrow Account in the name and style of "ICL Open Offer Escrow Account" with ICICI Bank Limited ("Escrow Bank"), a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodra-390007, Gujarat, India and acting for the purpose of this agreement through its branch situated at ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinsaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai - 400020 and have made a cash deposit of Rs. 1,94,72,000 (Rupees One Crore Ninety Four Lacs Seventy Two Thousand Only) in the Escrow Account. The cash deposited in Escrow Account represents 25% of the total consideration payable to the Equity Shareholders under this Offer. Escrow Bank vide email dated December 28, 2018 has confirmed the credit balance of Rs. 1,94,72,000 (Rupees One Crore Ninety Four Lacs Seventy Two Thousand Only). The Acquirer has authorized the Manager to the Open Offer to realize the value of the Escrow Account in terms of Regulation 17 of the Takeover Regulations.

- The Acquirer has confirmed that it has adequate financial resources to meet the obligations under the Open Offer and has made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the Takeover Regulations.
- In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.
- Based on the above, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to implement the Offer in full accordance with the Takeover Regulations to meet the payment obligations under the Offer.

VI. STATUTORY AND OTHER APPROVALS