

# Kirti Lakhotia

Address: 3001, Tower 3, Floor 30<sup>th</sup>, 783 Anandpur, Urbana NRI Complex, Kolkata-700107  
Email ID: k.lakhotia@lccinfotech.co.in

Date: 23-03-2021

To,

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Streets, Fort, Mumbai - 400 001	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051
<b>Scrip Code: 532019</b>	<b>Scrip Code: LCCINFOTEC</b>

**Reg.: Disclosures under Regulation 10(5) for intention for an inter-se transfer amongst immediate relatives under Regulation 10(l)(a)(i) of SEBI (Substantial Acquisition of shares and Takeover) Regulations, 2011.**

Dear Sir,

I hereby submit the disclosure as required under Regulation 10(5) of the SEBI (SAST) Regulations, 2011, for acquisition of 1,11,00,000 (8.77%) shares, details of which are stated below:

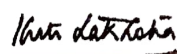
Date of Transaction	Name of the Person (belong to promoter group)/ Transferor	Name of the Transferee (belong to promoter group)/ Acquirer	No. of shares proposed to be acquired	% of the shareholding
31.03.2021 to 06.04.2021	Sidharth Lakhotia	Kirti Lakhotia	37,00,000	2.92%
31.03.2021 to 06.04.2021	Pratik Lakhotia	Kirti Lakhotia	37,00,000	2.92%
31.03.2021 to 06.04.2021	Prashant Lakhotia	Kirti Lakhotia	37,00,000	2.92%

This transaction, being an inter-se transfer of shares among immediate relatives belonging to the promoter group, falls within the exemptions provided under Regulation 10 (l)(a)(i) of the SEBI (SAST) Regulations, 2011. The aggregate holding of Promoter and Promoter Group before and after the above inter-se transaction remains the same.

In this connection necessary disclosure under Regulation 10(5) for the above said acquisition in the prescribed format is enclosed herewith for your kind information and records.

Kindly take the same on record.

Thanking You,  
Yours Faithfully,



**Kirti Lakhotia**  
**Promoter**

Encl. as above

CC: LCC Infotech Limited, P16, CIT Road, Kolkata - 700040

**DISCLOSURES UNDER REGULATION 10(5)  
INTIMATION TO STOCK EXCHANGES IN RESPECT OF ACQUISITION UNDER  
REGULATION 10(1)(a) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND  
TAKEOVERS) REGULATIONS, 2011**

1.	Name of the Target Company (TC)	LCC Infotech LIMITED			
2.	Name of the Acquirer(s)	Mrs. Kirti lakhotia			
3.	Whether the acquirer(s) is/are promoters of the TC prior to the transaction. If not, nature of relationship or association with TC or its promoters	Yes			
4.	Details of the proposed acquisition				
	a	Name of the person(s) from whom shares are to be acquired	Mr. Sidharth Lakhotia Mr. Pratik Lakhotia Mr. Prashant Lakhotia		
	b	Proposed date of acquisition	During 31/03/2021 to 06/04/2021		
	c	Number of Shares to be acquired from each person mentioned in 4(a) above	The Shares are to be acquired from:		
			Sidharth Lakhotia	37,00,000	2.92%
			Pratik Lakhotia	37,00,000	2.92%
			Prashant Lakhotia	37,00,000	2.92%
	d	Total Shares to be acquired as % of Share capital of TC	8.77% (rounded off) (2.92+2.92+2.92)		
	e	Price at Which Shares are proposed to be acquired	Rs. 3.72/- Per Share		
	f	Rationale, if any, for the proposed transfer	Inter-Se Transfer between immediate relatives belonging to the Promoter Group		
5.	Relevant sub-clause of regulation 10(1)(a) under which the acquirer is exempted from making open offer	10(1)(a)(i)			
6.	If, frequently traded, volume weighted average market price for a period of 60 trading days preceding the date of issuance of this notice as traded on the Stock exchange where the maximum volume of trading in the shares of the TC are recorded during such period.	NA			
7.	If in-frequently traded, the price as determined in terms of clause (e) of sub-regulation (2) of regulation 8.	Rs. 3.72/- Per Share As per the Valuation Report Enclosed			
8.	Declaration by the acquirer, that the acquisition price would not be higher by more than 25% of the price computed in point 6 or point 7 as applicable.	I, Kirti Lakhotia, Promoter of the Target Company declare that the acquisition price would not be higher by more than 25% of the Price computed in point 6 or point 7 as applicable.			
9.	Declaration by the acquirer, that the transferor and transferee have complied / will comply with applicable disclosure requirements in Chapter V of the Takeover Regulations, 2011 (Corresponding provisions of the repealed Takeover Regulations 1997).	I, Kirti Lakhotia, Promoter of the Target Company declare that the transferor and transferee have complied/ will comply with applicable disclosure requirements in Chapter V of the Takeover Regulations, 2011.			
10.	Declaration by the acquirer that all the conditions specified under regulation 10(1)(a) with respect to exemptions has been duly complied with.	I, Kirti Lakhotia, Promoter of the Target Company declare that all the conditions specified under regulation 10(1)(a) with respect to exemptions has been duly complied with.			
11.	Shareholding details	Before the proposed transaction		After the proposed transaction	
		No. Of shares / Voting rights	% w.r.t. total share Capital of TC	No. Of Shares / Voting rights	% w.r.t. total share capital of TC

a	Acquirer(s)				
	Kirti Lakhotia	2,51,21,235	19.84%	3,62,21,235	28.61%
	PACs (Other than sellers)(*)	80,000	0.06%	80,000	0.06%
b	Seller(s)				
	Sidharth Lakhotia	1,08,49,674	8.57%	71,49,674	5.65%
	Pratik Lakhotia	1,12,13,205	8.86%	75,13,205	5.93%
	Prashant Lakhotia	1,08,94,142	8.61%	71,94,142	5.68%

**Note:**

- (\*) Shareholding of each entity may be shown separately and then collectively in a group.
- The above disclosure shall be signed by the acquirer mentioning date & place. In case, there is more than one acquirer, the report shall be signed either by all the persons or by a person duly authorized to do so on behalf of all the acquirers.

Kirti Lakhotia

Kirti Lakhotia

Kolkata , March 23, 2021

To,

**Mr. Kirti Lakhotia**

**Address: 3001, Tower 3, Floor 30<sup>th</sup>, 783 Anandpur,**

**Urbana NRI Complex,**

**Kolkata-700107**

**Subject: Evaluating the acquisition price per share of LCC Infotech Limited**

Dear Sir,

We understand that "Mrs. Kirti Lakhotia" resident of Flat No 3001, Floor - 30<sup>th</sup>, Tower - 3, Urbana NRI Complex, 783 Anandpur, Kolkata - 700107, India (hereinafter referred to as "**Promoter & Managing Director**") is one of the Promoter of LCC Infotech Limited (hereinafter referred as "**Target Company**") wants to deal in inter-se transfer of shares of the Target Company amongst the qualifying persons so as to avail exemption as provided under Regulation 10(1)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, (hereinafter referred as "**SEBI (SAST), 2011**"), subject to terms and conditions as provided therein and for that purpose the Mrs. Kirti Lakhotia has appointed CapitalSquare Advisors Private Limited, a SEBI registered category I Merchant Banker (hereinafter referred as "**CSAPL**" or "**Merchant Banker**") for evaluating the acquisition price per equity shares under the provisions of clause (e) of sub regulation 2 of regulation 8 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as the "**Transaction**").

#### **Purpose and Scope**

Based on our discussions with Mrs. Kirti Lakhotia, we understand that Mrs. Kirti Lakhotia intends to deal in inter-se transfer of shares of the Target Company amongst the qualifying persons so as to avail exemption as provided under Regulation 10(1)(a) of SEBI (SAST),2011. The certificate is intended to be used solely for above mentioned purpose.

The certificate has been prepared exclusively for specified purposes as mentioned above and hence should not be used for any other purpose, without obtaining the prior written consent from CSAPL. This opinion should not be considered, in whole or in part, as investment advice by anyone.

#### **Summary of Findings**

Based on our Valuation analysis, it is found that the Equity Shares of Target Company are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") and are suspended for trading as on date. Further, the NSE and BSE has issued circulars dated March 23, 2021 for revocation of suspension and resuming of trading on NSE and BSE w.e.f. March 31, 2021. Thus, as on date the equity shares of the Company are not frequently traded on BSE and NSE within the meaning of Regulation 2(1)(j) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI (SAST) Regulations**"). The Acquisition Price for the proposed inter-se transfer of equity shares between Mrs. Kirti Lakhotia, Mr. Sidharth Lakhotia, Mr. Pratik Lakhotia and Mr. Prashant Lakhotia ("**Promoters of the Target Company**") has been determined by CSAPL after taking into account the parameters as set out under Regulation 8(2)(e) of SEBI



(SAST) Regulations, 2011, which are as under:

**Net Assets Method**

This method determines the worth of a business by the assets it possesses. It involves examining every asset held by the company, both tangible and intangible. The value of intangibles is referred to as the company's goodwill, the difference in value between the company's hard assets and its true value.

The value arrived at under this approach is based on the financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The Net Asset Value (NAV) is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern. Pursuant to accounting convention, most assets are reported on the books of the subject company at their acquisition value, net of depreciation where applicable. These values must be adjusted to fair value wherever possible. Further, the balance sheet values are to be adjusted for any contingent liabilities that are likely to materialize or doubtful assets.

As per NAV method, after giving a discount of 20% considered appropriate as the Company is recording losses during the last 8 years continuously, we have derived Value of each equity share of Target Company based on the Audited Financial Statement for the year ended March 31, 2020 is **Rs.3.72/- (Rupees Three and Seventy-two Paisa)** per share. *(Detailed working is attached as annexure herewith)*

**The yield method (Price Earning Capacity value/PECV)**

Since, the Target Company has incurred losses in preceding three financial years; therefore we have not considered the Income Approach method for determining fair value.

**The Market Value Method:**

Since, the Target Company has incurred losses in preceding three financial years and the equity shares of the Company are under suspension as on date; therefore we have not considered the Market Value Method for determining fair value.

**FAIR VALUE:**

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



Particulars	Price per shares	Weight	Fair Value per Equity Share (In INR)
NAV Method	3.72	1.00	3.72
Comparable Company Multiple Method	Not Applicable	Not Applicable	
PECV Method	Not Applicable	Not Applicable	

We are of the opinion that based on the information as referred to hereinabove, the fair value of each equity shares of LCC Infotech Limited in terms of the Hon'ble Supreme Court's decision in the Hindustan Lever Employees' Union vs. Hindustan Lever Limited (1995) reported at (83 Companies Cases 30), is **Rs. 3.72 (Rupees Three and Seventy-two Paisa)** per share.

**Conclusion:**

Based on our above analysis, we are of the opinion that the fair value of each equity share of Target Company for the proposed inter-se transfer of equity shares between immediate relatives belonging to qualifying promoters is **Rs.3.72 (Rupees Three and Seventy-two Paisa)** per share.

*Note: As per proviso of clause (a) of sub-regulation 1 of regulation 10 of SEBI SAST 2011, the acquisition price shall not be higher by more than twenty-five percent of the price determined in terms of clause (e) of sub-regulation (2) of regulation 8. Therefore, Acquisition price cannot be more than 25% of Rs. 3.72 (Rupees Three and Seventy-two Paisa) per share.*

For CapitalSquare Advisors Private Limited

*Tanmoy Banerjee*

**Tanmoy Banerjee**  
Vice President



Date: March 23, 2021  
Place: Mumbai

Encl. Annexure

Annexure to the Valuation Report

Calculation of fair Value of Equity Share based on Net Assets Value

Particulars	Amount (₹) (Except no. of shares)
Equity Share Capital	25,31,86,700
Add: Reserves & Surplus	33,55,24,000
<b>Networth available to the equity shareholders of the Company</b>	<b>58,87,10,700</b>
No. of Equity Shares	12,65,93,350
<b>NAV per Share</b>	<b>4.65</b>
Less: Discount due to continuous losses in last 8 years @ 20%	0.93
<b>Fair Value per Share</b>	<b>3.72</b>

