



December 11, 2018

To  
General Manager  
Listing Operations  
BSE Ltd.  
Ground Floor, P. J. Towers,  
Dalal Street, Fort,  
Mumbai 400 001

**Scrip Name: Gaurav Mercantiles Limited**

Dear Sirs,

**Sub: Draft Letter of Offer dated December 11, 2018 under Regulation 18(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 in connection with the Open Offer to be made to the public shareholders of Gaurav Mercantiles Limited.**

On behalf of Mr. Raghav Bahl, (hereinafter referred to as “the Acquirer”) together with Ms. Ritu Kapur, in her capacity as person acting in concert with the Acquirer, we, Pantomath Capital Advisors Private Limited, the Manager to the Open Offer, hereby enclose the copy of Draft Letter of Offer in connection with the Open Offer to be made to the Shareholders of Gaurav Mercantiles Limited.

The Open Offer is being made pursuant to and in compliance with Regulations 3(1) and 4 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and subsequent amendments thereto (the “SEBI (SAST) Regulations”).

We request you to kindly upload the Detailed Public Statement on your website at the earliest.

Capitalized terms used in this letter unless defined herein shall have the same meanings as ascribed to them in the attached Detailed Public Statement.

Thanking You,  
**For Pantomath Capital Advisors Private Limited**

  
  
**Hardik Bhuta**  
Assistant Vice President  
SEBI Reg No. INM000012110

Progress with Values...

**Pantomath Capital Advisors Private Limited (SEBI Registered Category-I Merchant Bankers)**  
Regd. Office: 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai – 400051  
Email: info@pantomathgroup.com  
Website: www.pantomathgroup.com | CIN: U74120MH2013PTC248061 | Tel:022-6194 6700 | Fax:022-26598690

## DRAFT LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The 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**”) and Securities Transfer Form(s) to the Member of Stock Exchange 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 1828; **Fax:** +91 120 475 1828; **E-mail:** [raghav.bahl@thequint.com](mailto:raghav.bahl@thequint.com);  
(hereinafter referred to as the “**Acquirer**”)

#### ALONG WITH

##### RITU KAPUR

**Residence:** F-3, Sector 40, Noida – 201301, Uttar Pradesh, India;  
**Tel.:** +91 120 475 1828; **Fax:** +91 120 475 1828; **E-mail:** [ritu.kapur@thequint.com](mailto:ritu.kapur@thequint.com)

**MAKE A CASH OFFER TO ACQUIRE UP TO 520,000 (FIVE LAKH TWENTY 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 VOTING SHARE CAPITAL OF THE TARGET COMPANY (AS HEREINAFTER DEFINED), FROM THE PUBLIC SHAREHOLDERS OF**



##### GAURAV MERCANTILES LIMITED

**Corporate Identification Number:** L74130MH1985PLC176592  
**Registered Office:** 310, Gokul Arcade – B, Subhash Road, Vile Parle – E, Mumbai – 400057  
**Tel.:** +91 22 6572 6780; **Fax:** +91 22 6694 9916; **E-mail:** [cs@gmlmumbai.com](mailto:cs@gmlmumbai.com); **Website:**  
[www.gmlmumbai.com](http://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.
- The Offer is subject to the compliance of the terms and conditions as set out under the Share Purchase Agreement. 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.

- If there is any 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 16, 2019 (Thursday) 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.
- **As per the information available with the Acquirer and PAC and the Target Company, there has been no competing offer as on date of this Draft Letter of Offer.**
- **If there are competing offers, the public offers under all the subsisting bids shall open and close on the same date.**
- A copy of the Public Announcement (“PA”), the DPS are available on the website of Securities and Exchange Board of India (‘SEBI’) at <http://www.sebi.gov.in> and copies of Draft Letter of Offer and Letter of Offer, including Form of Acceptance cum Acknowledgment will be available on 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><b>Pantomath Capital Advisors Private Limited</b>            406-408, Keshava Premises, Behind Family Court,            Bandra Kurla Complex, Bandra East – 400 051            Tel: +91 22 61946700/749            Fax: +91 22 26598690            E-mail: <a href="mailto:hardik.bhuta@pantomathgroup.com">hardik.bhuta@pantomathgroup.com</a>            Contact Person: Hardik Bhuta            SEBI Registration No.: INM000012110</p>	 <p><b>Skyline Financial Services Private Limited</b>            D-153/A, First Floor, Okhla Indl. Area, Phase-I, New            Delhi-110020            Tel: + 91 11 40450193/94/95            Fax: + 91 11 26812682            Email: <a href="mailto:Compliances@skylinerta.com">Compliances@skylinerta.com</a>            Contact Person: Khan Mohd Ubed            SEBI Registration No. INR 000003241</p>

**SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER IS GIVEN BELOW:**

<b>Activity</b>	<b>Date</b>	<b>Day</b>
Date of Public Announcement (PA)	November 27, 2018	Tuesday
Date of publishing of the DPS in Newspapers	December 04, 2018	Tuesday
Last date for filing of the Draft Letter of Offer with SEBI	December 11, 2018	Tuesday
Last date for public announcement of the Competing Offer(s)	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
Identified Date <sup>#</sup>	January 04, 2019	Friday
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
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
Last date for upward revision of the Offer Price and/or Offer Size	January 16, 2019	Wednesday
Date of publication of Offer opening Public Announcement in the newspapers in which the DPS was published	January 17, 2019	Thursday
Date of Commencement of the Tendering Period (Offer Opening Date)	January 18, 2019	Friday
Date of Closure of the Tendering Period (Offer Closing Date)	January 31, 2019	Thursday
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
Issue of post offer advertisement	February 22, 2019	Friday
Last date for filing of final report with SEBI	February 22, 2019	Friday

*#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.*

**RISK FACTORS:**

*Set forth below are the risk factors relating to the Underlying Transaction, 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. Acquisition of Sale Shares in the Underlying Transaction is subject to the applicable provisions of the SEBI (SAST) Regulations, 2011, and the Share Purchase Agreement (as hereinafter defined). In case the provisions of SEBI (SAST) Regulations, 2011 or the Share Purchase Agreement are not satisfactorily complied with for reasons beyond reasonable control of the Acquirer and the PAC; and consequently the Share Purchase Agreement is rescinded, the Acquirer shall not be able to act upon acquisition of Equity Shares under the Offer.
2. The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

**Relating to the proposed Offer:**

1. As on the date of this Draft 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 of 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 Draft 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 Draft 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 Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the 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 Draft 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.
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, 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.
5. For the purpose of disclosures in the PA or DPS or this Draft Letter of Offer 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 Draft Letter of Offer, all references to 'Rs.' / 'Rupees' / 'INR' / '' are references to Indian Rupee(s), the official currency of India.
2. In this Draft 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

<b>Term</b>	<b>Definition</b>
<b>Acquirer</b>	Mr. Raghav Bahl
<b>Board/ Board of Directors</b>	The Board of Directors of the Target Company
<b>BSE</b>	BSE Limited
<b>Buying Broker</b>	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
<b>CDSL</b>	Central Depository Services (India) Limited
<b>CIN</b>	Corporate Identification Number
<b>Clearing Corporation</b>	Indian Clearing Corporation Limited
<b>Companies Act</b>	The Companies Act, 1956, as amended and/or The Companies Act, 2013, as amended, as the case may be
<b>Depositories</b>	CDSL and NSDL
<b>Designated Stock Exchange</b>	BSE Limited
<b>DIN</b>	Director Identification Number
<b>DP</b>	Depository Participant
<b>DPS / Detailed Public Statement</b>	The Detailed Public Statement, issued by the Manager to the Offer, on behalf of the Acquirer and PAC in relation to this Offer and published on December 04, 2018
<b>Draft Letter of Offer/ DLoF</b>	This Draft Letter of Offer dated December 11, 2018
<b>Equity Shares</b>	Fully paid-up equity shares of the Target Company of the face value of INR 10 (Indian Rupees Ten only) each
<b>Equity Shareholders / Shareholders</b>	All the owners of the Equity Shares
<b>Escrow Agreements</b>	Escrow Agreement dated November 27, 2018 entered among the Acquirer, Escrow Bank and Manager to the Offer
<b>Escrow Bank</b>	IndusInd Bank Limited
<b>FEMA</b>	Foreign Exchange Management Act, 1999, as amended and the rules and regulations thereunder
<b>FII</b>	Foreign Institutional Investor registered with SEBI under applicable laws in India
<b>Form of Acceptance / FoA</b>	Form of Acceptance cum Acknowledgement, accompanying with the Letter of Offer
<b>FPI</b>	Foreign Portfolio Investor, as defined under Regulation 2(h) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
<b>FY</b>	Financial Year
<b>Identified Date</b>	January 4, 2019 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
<b>IFSC</b>	Indian Financial System Code
<b>Income Tax Act</b>	Income Tax Act, 1961, as amended from time to time



<b>Term</b>	<b>Definition</b>
<b>ISIN</b>	International Securities Identification Number
<b>Letter of Offer / LoF</b>	The Letter of Offer to be issued pursuant to the Offer, duly incorporating SEBI's comments on this Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
<b>Manager to the Offer</b>	Pantomath Capital Advisors Private Limited
<b>Maximum Consideration</b>	The total funding requirement for the Offer of INR 22,100,000 (Indian Rupees Two Crore Twenty One Lakh only) assuming full acceptance of the Offer
<b>NA/ N.A.</b>	Not Applicable
<b>Non-Resident Shareholder(s)</b>	Persons resident outside India, as defined under FEMA, holding equity shares of the Target Company
<b>NRI</b>	Non-Resident Indians as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
<b>NSDL</b>	National Securities Depositories Limited
<b>OCBs</b>	Overseas Corporate Bodies as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
<b>Offer/Open Offer</b>	The open offer made by the Acquirer and PAC to the Public Shareholders to acquire up to 520,000 Equity Shares, representing 26% of the Voting Share Capital of Target Company
<b>Offer Period</b>	Period from the date of release of Public Announcement to the date of payment of consideration
<b>Offer Price</b>	INR 42.50 (Indian Rupees Forty Two and Fifty Paise only) per Equity Share
<b>Offer Size</b>	Up to 520,000 Equity Shares representing 26% of the Voting Share Capital of the Target Company
<b>PA / Public Announcement</b>	Public Announcement dated November 27, 2018, issued by the Manager to the Offer, on behalf of the Acquirer and PAC, in relation to this Offer
<b>PAN</b>	Permanent Account Number
<b>Persons Acting in Concert</b>	Ms. Ritu Kapur
<b>Promoter and Promoter Group</b>	Promoter and Promoter Group of Gaurav Mercantiles Limited
<b>Public Shareholders</b>	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
<b>RBI</b>	Reserve Bank of India
<b>Registrar / Registrar to the Offer</b>	Skyline Financial Services Private Limited
<b>INR</b>	Indian Rupees, the legal currency of India
<b>Sale Shares</b>	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 of the Target Company, to be sold by the Sellers to the Acquirer and PAC, in terms of the SPA
<b>SCRR</b>	Securities Contracts (Regulation) Rules, 1957, as amended

<b>Term</b>	<b>Definition</b>
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEBI Act</b>	Securities and Exchange Board of India Act, 1992, as amended
<b>SEBI Delisting Regulations</b>	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
<b>SEBI (LODR) Regulations, 2015</b>	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
<b>SEBI (SAST) Regulations, 2011</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
<b>Sellers</b>	Mr. Pratap Singh Bohra, Mr. Vivek P. Bohra, Mr. Nikhil Bohra, Mr. Tarun Bohra and Ms. Gulab Devi Bohra
<b>Selling Broker</b>	The respective stock brokers of the Public Shareholders through whom Equity Shares shall be tendered under this Offer
<b>Share Purchase Agreement/ SPA / Agreement</b>	Share purchase agreement dated November 27, 2018 entered into amongst the Acquirer, PAC, Target Company and the Sellers
<b>Stock Exchange</b>	BSE Limited
<b>STT</b>	Securities Transaction Tax
<b>Target Company</b>	Gaurav Mercantiles Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 310, Gokul Arcade - B, Subhash Road, Vile Parle – E, Mumbai – 400057
<b>Tendering Period</b>	Period commencing from January 18, 2019 to January 31, 2019, both days inclusive
<b>TRS</b>	Transaction Registration Slip generated by the Designated Stock Exchange bidding system
<b>Underlying Transaction</b>	The acquisition of Sale Shares under the Share Purchase Agreement
<b>Voting Share Capital</b>	INR 20,000,000 (Indian Rupees Two Crores only) consisting of 2,000,000 (Twenty Lakhs only) Equity Shares carrying voting rights, being the fully diluted equity voting share capital of the Target Company as of the 10th working day from the Closure of the Tendering Period of the Offer
<b>Working Day</b>	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 DRAFT 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 THE 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 DRAFT 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 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, who are part of Promoter and Promoter Group of the Target Company, the Acquirer, PAC and 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% of the Voting Share Capital 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. The Acquirer and PAC do not hold any shares in the Target Company.
- b. The key terms and conditions of the Share Purchase Agreement are as follows:
  - i. Pursuant to the SPA, the Acquirer and PAC, relying on the representations and warranties of the Sellers, agreed to purchase the Sale Shares constituting 66.42% of the Voting Share Capital of the Target Company at the Negotiated Price for the Purchase Consideration.
  - ii. As a consequence of the SPA, the Sellers and other members of the Promoter and Promoter Group of the Target Company shall cease to be the Promoter of the Company and the Acquirer and PAC shall become the Promoter of the 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 PAC 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 shall not be 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 PAC shall, purchase from Sellers, and the Sellers shall sell and transfer to the Acquirer and PAC, 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 is 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 PAC 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 shall issue duly filled up delivery instruction slips to the Acquirer and PAC for onward submission to the depository participant to transfer the Promoter Seller Sale Shares (as defined in the SPA) from their respective demat accounts to the Acquirer and PAC's demat accounts.
- viii. On the Completion Date (as defined in the SPA), the Acquirer and PAC shall deliver to each of the Promoters, 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 Promoter 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 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. On the Completion Date (as defined in the SPA), which shall not be prior to the expiry of 21 (Twenty One) working days from the date of the publication of the DPS, the Board shall appoint the nominees of the Acquirer as directors on the Board and take on record the resignation of Mr. Tarun Pratap Bohra and Mr. Nikhil Bohra as directors of the 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.

### 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 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:

<b>Publication</b>	<b>Language</b>	<b>Edition</b>
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 520,000 (Five Lakh Twenty Thousand only) fully paid up Equity Shares, representing 26.00% (Twenty six percent only) of the 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 Draft 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 Draft 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 520,000 (Five Lakh Twenty Thousand only) Equity Shares constituting 26.00% (Twenty six percent only) of the 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 Acquirer and PAC have not acquired any shares of the Target Company after the date of PA i.e. November 27, 2018, up to the date of this Draft Letter of Offer.
- 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.
- l. 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. 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.
- b. After the completion of this Offer and pursuant to the transfer of the Sale shares so acquired, 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. The Acquirer intends to seek a reconstitution of the Board of Directors of the Target in compliance with Regulation 24(1) of SEBI (SAST) Regulations, 2011. 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 DLOF, 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 57 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](mailto: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 25 years of experience in field of television and journalism.

- 4.2. Ms. Ritu Kapur (“**PAC**”) is an individual aged 51 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](mailto:ritu.kapur@thequint.com).

- 4.3. Save and except for the PAC, no other person is acting in concert with the Acquirer for the purposes of this Offer.
- 4.4. The net worth of Acquirer is INR 1,091 crores (Indian Rupees One Thousand and Ninety One Crores only) as on October 31, 2018 as certified vide certificate dated November 26, 2018 issued by Mohan L. Jain & Co., Chartered Accountants (Membership No. 528691) having office at 403, Prabhat Kiran, 17, Rajendra Place, New Delhi – 110 008. The net worth of PAC is INR 57 crores (Indian Rupees Fifty Seven Crores only) as on October 31, 2018 as certified vide certificate dated November 26, 2018 issued by Mohan L. Jain & Co., Chartered Accountants (Membership No. 528691) having office at 403, Prabhat Kiran, 17, Rajendra Place, New Delhi – 110 008. The Acquirer is the husband of PAC and is the founder of the Quint Group. The PAC is the co-founder of the Quint Group.
- 4.5. The Acquirer and PAC are neither the Promoters nor a part of the Promoter Group of the Target Company as on the date of this Draft Letter of Offer. Further, the Acquirer and PAC are not related to the directors, key employees and promoters of the Target Company in any manner whatsoever.
- 4.6. As on the date of this Draft Letter of Offer, the Acquirer neither holds any Equity Share in the Target Company nor has previously acquired any equity share of the Target Company. Therefore the provisions of Chapter V of SEBI (SAST) Regulations, 2011 and/or Chapter II of the SEBI (SAST) Regulations, 1997 are not applicable to him. Further, the Acquirer and PAC have not acquired any Equity Shares of the Target Company after the date of the PA.
- 4.7. The Acquirer and PAC have not entered into any formal agreement with respect to the acquisition of shares through this Offer and are acting together under an informal understanding.
- 4.8. As on the date of this Draft Letter of Offer, the Acquirer and PAC do not hold any position on the board of directors of any listed Company.
- 4.9. 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.	BK Media Private Limited	Shareholder and Director
3.	RB Software Private Limited	Shareholder and Director
4.	RVT Softech Private Limited	Shareholder and Director
5.	Quintillion Media Private Limited	Director
6.	Keyman Financial 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.	BK Media Mauritius Private Limited	Director
12.	Digital Content Pvt Ltd	Director
13.	Network18 Publications Limited	Director
14.	Quintillion Business Media Private Limited	Director
15.	Quintype, Inc.	Director
16.	Quintype Technologies India Private Limited	Director
17.	RMS Diversified Private Limited	Director

- 4.10. The details of the ventures promoted/controlled/managed by the PAC 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.	RB Software Private Limited	Shareholder and Director
4.	RVT Softech Private Limited	Shareholder and Director
5.	Quintillion Media Private Limited	Director
6.	Keyman Financial 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 Pvt Ltd	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 Private Limited	Director
18.	YKA Media Private Limited	Director
19.	Spunklane Media Private Limited	Director
20.	Applied Life Private Limited	Director

- 4.11. 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.
- 4.12. 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 310, Gokul Arcade – B, Subhash Road, Vile Parle – E, Mumbai – 400057. The Corporate Identity Number (CIN) of the Target Company is L74130MH1985PLC176592.
- 5.3 Target Company is *inter alia* engaged in the business of import and trading of almonds and other products.
- 5.4 The authorised share capital of the Target Company is INR 100,000,000 (Indian Rupees Ten Crore only) comprising of 10,000,000 (One Crore only) equity 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.
- 5.5 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. As on date, none of the Equity Shares are under lock-in period.
- 5.6 The Equity Shares are presently listed on BSE (Scrip Code: 539515). The ISIN of the Equity Shares of the Target Company is INE641R01017.



5.7 **Share Capital Structure:**

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

<b>Paid-up Equity Shares</b>	<b>No. of Equity Shares/Voting Rights</b>	<b>% Equity Shares/Voting Rights</b>
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%
<b>Total Equity Shares/Voting Rights in Target Company</b>	<b>2,000,000</b>	<b>100%</b>

5.8 All the outstanding Equity Shares of the Target Company are admitted for trading at BSE.

5.9 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.

5.10 As on date, the trading in Equity Shares of Target Company is not suspended on BSE.

5.11 As on date, no Equity Shares of the Target Company are under lock-in.

5.12 **Details of the Board of Directors of Target Company:**

As on date, the Directors representing the Board of Target Company are:

<b>Name of Director</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Director Identification Number(DIN)</b>
Mr. Kamal Singh Baid	Independent Director	April 24, 2003	00052447
Mr. Nikhil Pratap Bohra	Director	November 14, 2017	00114968
Mr. Tarun Pratap Bohra	Director	August 17, 2009	02736871
Mr. Mangesh Surendra Nandkarni	Whole-time Director	April 1, 2017	07769701
Ms. Priyanka Mukesh Saraswat	Independent Director	March 30, 2017	07775206

None of the above Directors are representative of the Acquirer and PAC.

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, 2018, March 31, 2017 and March 31, 2016 and limited reviewed financials for half year ended September 30, 2018 are as follows:

**Profit & Loss Statements**

*(INR in lakhs, except per share data)*

<b>Particulars</b>	<b>Half Year ended September 30, 2018</b>	<b>Financial Year ended March 31, 2018</b>	<b>Financial Year ended March 31, 2017</b>	<b>Financial Year ended March 31, 2016</b>
Income from Operations	-	95.43	159.21	-
Other Income	23.69	57.80	35.79	41.92
<b>Total Income</b>	<b>23.69</b>	<b>153.23</b>	<b>195.00</b>	<b>41.92</b>
<b>Total Expenditure</b>	<b>12.49</b>	<b>120.67</b>	<b>182.86</b>	<b>27.60</b>
Profit before Depreciation Interest and Tax	11.20	32.56	12.14	14.32

Particulars	Half Year ended September 30, 2018	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017	Financial Year ended March 31, 2016
Depreciation	0.07	0.25	0.31	5.72
Interest	-	-	-	0.39
<b>Profit/(loss) before Tax</b>	<b>11.13</b>	<b>32.31</b>	<b>11.82</b>	<b>8.21</b>
Provision for Tax	0.94	8.78	2.62	0.74
<b>Profit/ (Loss) after Tax</b>	<b>10.19</b>	<b>23.53</b>	<b>9.20</b>	<b>7.47</b>

#### Balance Sheet Statement

(INR in lakhs, except per share data)

Particulars	Half Year ended 30.09.2018	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017	Financial Year ended 31.03.2016
<b>Sources of fund</b>				
Paid-up share capital	200	200	200	200
Reserves & Surplus (excluding revaluation reserves)	370.18	359.99	336.45	327.25
<b>Net Worth</b>	<b>570.18</b>	<b>559.99</b>	<b>536.45</b>	<b>527.25</b>
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Deferred Tax Liabilities and Provisions	1.64	2.84	2.75	2.01
<b>Total</b>	<b>571.82</b>	<b>562.83</b>	<b>539.20</b>	<b>529.26</b>
<b>Uses of funds</b>				
Net fixed assets	1.42	3.13	3.39	4.19
Investments and Advances	8.79	12.83	17.22	16.67
Net current Assets	561.61	546.87	518.59	508.40
Total miscellaneous expenditure not written off	-	-	-	-
<b>Total</b>	<b>571.82</b>	<b>562.83</b>	<b>539.20</b>	<b>529.26</b>
<b>Other Financial Data</b>				
Dividend (%)	-	-	-	-
Earnings Per Share	0.51	1.18	0.46	0.37

*Net Worth = Paid-up Share Capital + Reserves and Surplus*

*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.		Shares and voting rights acquired pursuant to the SPA		Shares and voting rights to be acquired in the Offer (assuming full acceptance)		Shareholding / voting rights after the acquisition and Offer.	
	(A)		(B)		(C)		(A)+(B)+(C) =(D)	
	No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter group</b>								
a. Parties to agreement, if any								

Shareholders' category	Shareholding & voting rights prior to the SPA/ acquisition and Offer.		Shares and voting rights acquired pursuant to the SPA		Shares and voting rights to be acquired in the Offer (assuming full acceptance)		Shareholding / voting rights after the acquisition and Offer.	
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)	-	-	-	-
<b>(2) Acquirer and PAC</b>								
a. Acquirer – Mr. Raghav Bahl	-	-	1,120,900	56.05	520,000	26.00	1,640,900	82.05
b. PAC – Ms. Ritu Kapoor	-	-	207,400	10.37	-	-	207,400	10.37
<b>Total 2(a+b)</b>	<b>-</b>	<b>-</b>	<b>1,328,300</b>	<b>66.42</b>	<b>520,000</b>	<b>26.00</b>	<b>1,848,300</b>	<b>92.42</b>
<b>(3) Parties to agreement other than(1) (a) &amp; (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(4) Public (other than parties to SPA, Acquirer and PAC)</b>	671,700	33.58	-	-	(520,000)	(26.00)	151,700	7.58
<b>GRAND TOTAL (1+2+3+4)</b>	<b>2,000,000</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>100</b>

5.16 **Details of Compliance Officer:**  
Ms. Shikha Chaudhary  
310, Gokul Arcade – B, Subhash Road,  
Vile Parle – E, Mumbai – 400057  
**Tel.:** +91 22 6692 4459;  
**E-mail:** [cs@gmlmumbai.com](mailto: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](http://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
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, 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 520,000 (Five Lakh Twenty 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 22,100,000 (Indian Rupees Two Crore Twenty One Lakh 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 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 Crores Twenty One Lakhs only) in the Offer Escrow Account (“**Cash Escrow**”) which is an equivalent to 100% of the value of the Maximum Consideration, as confirmed by IndusInd Bank Limited by way of letter dated November 28, 2018. The Manager is duly authorised by the Acquirer to realise the value of the Escrow Account and operate the Escrow Account in terms of the SEBI (SAST) Regulations.
- 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. Mohan L. Jain & Co., Chartered Accountants (Membership No. 528691) having office at 403, Prabhat Kiran, 17, Rajendra Place, New Delhi – 110 008 have certified vide certificate dated November 26, 2018 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 not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations, 2011.
- c. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
- d. This Offer is subject to the terms and conditions set out in the Letter of Offer, this Draft Letter of Offer, the PA, the DPS, and any other Public Announcements that may be issued with respect to the Offer.
- e. The Letter of Offer together with the Form of Acceptance cum Acknowledgment (Form of Acceptance) and Securities Transfer Form (for Shareholders holding Equity Shares in the physical form) 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 04, 2019. 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.
- f. 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.
- g. 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.
- h. Neither the Acquirer and PAC, nor the Manager to the Offer or the Registrar to the Offer accepts any responsibilities in any manner for any loss of Equity Share Certificate(s), Share Transfer Form(s) and any other documents, during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
- i. This Offer is subject to the receipt of the statutory and other approvals as mentioned under paragraph 'Statutory Approvals' of this Draft 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.

#### **7.3. ELIGIBILITY FOR ACCEPTING THE OFFER**

- a. All Public Shareholders, whether holding the Equity Shares in physical form or dematerialized form are eligible to participate in this Offer at any time during the Tendering Period for this Offer.
- b. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired Equity Shares after the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in Public Announcement, the DPS and the Letter of Offer. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance-cum Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or the Registrar to the Offer.

#### **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**

- a. 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.
- b. BSE shall be the designated stock exchange (“**Designated Stock Exchange**”) for the purpose of tendering the Equity Shares in the Offer.
- c. 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](mailto:suresh_taraye04@iifl.com)

- d. 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.
- e. The Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Selling Broker can enter orders for dematerialized as well as physical Equity Shares.
- f. 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.



- g. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- h. 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.
- i. 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 or physical form.
- j. 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).
- k. 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.
- l. **Procedure for tendering Equity Shares held in dematerialised form:**
  - i. 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.
  - ii. 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. Shareholders will have to submit Delivery Instruction Slips (“**DIS**”) duly filled in specifying market type as ‘Open Offer’ and execution date along with other details to their respective Stock Broker so that Equity Shares can be tendered in Offer.
  - iv. 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.
  - v. 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.
  - vi. 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.
  - vii. 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 prorata acceptance in the Offer.
  - viii. The Equity Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance.
- m. **Procedure for tendering Equity Shares held in Physical Form:**

- i. The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach the Selling Broker and submit complete set of documents for verification procedure as mentioned below:
  - a. Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders, whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
  - b. Original Share Certificate(s);
  - c. Valid Form SH 4 - Securities Transfer Form(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;
  - d. Self attested PAN card copy (in case of joint holders, PAN card copy of all transferors);
  - e. Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature);
  - f. Self attested copy of address proof such as valid Aadhar Card, Voter ID, Driving License, etc.
- ii. The Selling Broker(s) should place bids on the exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) to print the Transaction Registration Slip (“TRS”) generated by the exchange bidding system. TRS will contain the details of order submitted like Folio No., Certificate No. Distinctive Nos., No. of Shares, etc.
- iii. After placement of order, as mentioned in above point, the Selling Broker/Equity Shareholder must ensure the delivery of the Form of Acceptance, copy of the TRS, original share certificate(s), valid Form SH 4 - Securities Transfer Form(s) and other documents (as mentioned in above point either by registered post/speed post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page of this Draft Letter of Offer not later than 2 (Two) working days from closure of the Tendering Period. The envelope should be superscribed as ‘**GAURAV MERCANTILES LIMITED-OPEN OFFER**’. One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker/Equity Shareholder.
- iv. Equity Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical shares in Offer shall be subject to verification by Registrar to the Offer. On receipt of the confirmation from Registrar to the Offer the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- v. In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before the Closure of the Tendering Period.
- vi. The Equity Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance sent along with the Letter of Offer.
- n. **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.

***In case the Equity Shares are in physical form:***

A Shareholder, who are holding the Equity Shares in physical form and who desire to tender their Equity Shares in this Offer may participate in the Offer by confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, DPS and the Letter of Offer. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in the Letter of Offer) should reach the Registrar of the Company not later than 2 (Two) working days from closure of the Tendering Period. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Offer.

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](http://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.

**o. 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 (including demat shares and physical 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.

**p. 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.
- 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. 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. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Equity Shareholders directly by the Registrar to the Offer. The

Target Company is authorized to split the share certificate and issue new consolidated Share Certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Target Company are less than the Equity Shares tendered in the Offer by the Equity Shareholders holding Equity Shares in the physical form.

- v. 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.
- vi. 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.

q. **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, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the capital gains tax would be 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.
  - ii. As per section 111A of the 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).
  - iii. Any applicable surcharge and education cess would be in addition to above applicable rates.
  - iv. In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirer shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. 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.
- 9.7. The tax implications are based on provisions of the IT Act as applicable as on date of this Draft Letter of Offer. In case of any amendment made effective prior to the date of closure of this Offer, then the provisions of the IT Act as amended would apply.
- 9.8. 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 and Articles of Association of the Target Company.
- iii. Annual Reports of the Target Company for the financial years ending March 31, 2016, March 31, 2017 and March 31, 2018 and limited reviewed financials for half year ended September 30, 2018
- iv. Certificates dated November 26, 2018, issued by Mohan L. Jain & Co., Chartered Accountants (Membership No. 528691) having office at 403, Prabhat Kiran, 17, Rajendra Place, New Delhi – 110 008, certifying the net worth of Acquirer and PAC.
- v. Certificates dated November 26, 2018, issued by Mohan L. Jain & Co., Chartered Accountants (Membership No. 528691) having office at 403, Prabhat Kiran, 17, Rajendra Place, New Delhi – 110 008, certifying that the Acquirer and PAC have 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.
- vii. Letter dated November 28, 2018 from IndusInd Bank Limited confirming the amount deposited in the Escrow Account.
- viii. Public Announcement dated November 27, 2018 and published copy of Detailed Public Statement, which appeared on December 04, 2018.
- ix. 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.
- x. Observation Letter No. [●] dated [●] 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 Draft 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 Draft 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 Draft 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 Draft Letter of Offer is the Acquirer and PAC or duly and legally authorized person of the Acquirer and PAC to sign this DLoF.

**On behalf of the Acquirer**

Sd/-

Raghav Bahl

**On behalf of the PAC**

Sd/-

Ritu Kapur

**Place:** Noida

**Date:** December 11, 2018