

April 24, 2018

|   |  |
|---|--|
| <b>Listing Department</b><br><b>National Stock Exchange of India Ltd</b><br>Exchange Plaza, C-1, Block G<br>Bandra Kurla Complex,<br>Bandra (E)<br>Mumbai – 400 051 | → <b>Listing Department</b><br><b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai- 400001 |
|---|--|

Dear Sir/Madam,

**Sub: Letter of Offer (“LOF”) for open offer (“Offer”) for acquisition of up to 1,86,64,096 Equity Shares from shareholders of MT Educare Limited (“Target”) by Zee Learn Limited (“Acquirer”) along with Sprit Infrapower and Multiventures Private Limited (“PAC”) pursuant to and in compliance with Regulation 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended (“SEBI SAST Regulations”).**

With respect to the captioned, we, the Manager to the Offer, enclose the Letter of Offer dated April 20, 2018 required to be sent to you in terms of the Regulation 18(1) of the SEBI (SAST) Regulations.

Kindly acknowledge receipt.

Thanking you,

With regards,  
For **Axis Capital Limited**



**Authorised Signatory**  
**Name: Lakha Nair**  
**Designation: Senior Vice President**

Encl: as above

**Axis Capital Limited (Erstwhile “Axis Securities and Sales Limited”)**

SEBI Merchant Banker Regn No.:MB/INM000012029 Member Of: BSE Ltd. & National Stock Exchange of India Ltd., Mumbai.  
CIN No. U51900MH2005PLC157853

Regd. Office: Axis House, 8th Floor, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025 &  
Corp. Office: Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025.

Tel.: (022) 4325 1199, Fax No. (022) 4325 3000, Website: www.axiscapital.co.in

## LETTER OF OFFER

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

This letter of offer (“**Letter of Offer**” or “**LoF**”) is sent to you as a Public Shareholder (*as defined below*) of **MT EDUCARE LIMITED**. If you require any clarifications about the actions to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer (*as defined below*) or the Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over this Letter of Offer and the accompanying Form of Acceptance and Transfer Deed to the member of stock exchange through whom the said sale was effected.

#### ZEE LEARN LIMITED

(“**Acquirer**”)

**A public limited company incorporated under the Companies Act, 1956**

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai- 400018

(Tel: 022-40343900, Fax: 022- 26743422)

CIN: L80301MH2010PLC198405

along with the following person acting in concert

**SPRIT INFRAPOWER AND MULTIVENTURES PRIVATE LIMITED**

(“**PAC**”)

**A private limited company incorporated under the Companies Act, 1956**

Registered Office: 18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400013

(Tel: 022 7106 1234)

CIN: U74110MH2008PTC178527

MAKE A CASH OFFER OF RS. 72.76/- (RUPEES SEVENTY TWO AND SEVENTY SIX PAISA ONLY) PER FULLY PAID UP EQUITY SHARE (AS DEFINED BELOW) OF THE FACE VALUE OF RS. 10 (RUPEES TEN) EACH, TO ACQUIRE UPTO 1,86,64,096 (ONE CRORE EIGHTY SIX LAKH SIXTY FOUR THOUSAND AND NINETY SIX) EQUITY SHARES REPRESENTING 26.00% (TWENTY SIX PERCENT) OF THE EMERGING SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SAST REGULATIONS (AS DEFINED BELOW) TO THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF

#### MT EDUCARE LIMITED

(“**Target Company**”)

**A listed public limited company incorporated under the Companies Act, 1956**

Registered Office: 220, 2nd Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai 400080

(Tel: 91-22-61297700/800/900, Fax: 022 25937799)

CIN: L80903MH2006PLC163888

1. This Offer (*as defined below*) is being made by the Acquirer and the PAC pursuant to and in compliance with the provisions of Regulation 3(1) and Regulation 4 of the SAST Regulations.
2. This Offer is not a conditional offer in terms of Regulation 19 of the SAST Regulations and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SAST Regulations.
4. To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer and/or the PAC to complete this Offer. However, in case of any statutory approvals being required at a later date, this Offer will be subject to such approvals.
5. The Acquirer may withdraw the Offer in accordance with the terms and conditions specified in paragraph 2.2 of section 2 (*Details of this Offer*) of this Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager to the Offer) shall, within 2 (two) Working Days (as defined below) of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SAST Regulations.
6. The Offer Price (as defined below) may be subject to revision pursuant to the SAST Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period (as defined below) in accordance with Regulation 18(4) of the SAST Regulations. Where the Acquirer has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with Regulation 8(8) of the SAST Regulations. However, the Acquirer shall not acquire any Equity Shares during the period commencing 3 (three) Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the Escrow Amount (as defined below); (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, inform SEBI (as defined below), the Stock Exchanges (as defined below) and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
7. **If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**
8. **There has been no competing offer as of the date of this Letter of Offer.**
9. A copy of the Public Announcement (as defined below), the Detailed Public Statement and the Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) is also available and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement) will also be available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

All future correspondence, if any, should be addressed to the Manager to the Offer or the Registrar to the Offer at the addresses mentioned below:

| Manager to the Offer   | Registrar to the Offer   |
|--|--|
| <br><i>Manager to the offer</i><br><b>Axis Capital Limited</b><br>Axis House, 1 <sup>st</sup> Floor,<br>C-2, Wadia International Center,<br>P. B. Marg, Worli, Mumbai 400 025.<br><b>Tel:</b> +91 22 4325 2183<br><b>Fax:</b> +91 22 4325 3000<br><b>Website:</b> <a href="http://www.axiscapital.co.in">www.axiscapital.co.in</a><br><b>Email:</b> <a href="mailto:MTel@axiscap.in">MTel@axiscap.in</a><br><b>Contact person:</b> Ms. Mayuri Arya<br><b>SEBI Registration Number:</b> INM000012029 | <br><b>Link Intime India Private Limited</b><br>C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West),<br>Mumbai – 400 083,<br><b>Tel:</b> + 91 22 49186200<br><b>Fax:</b> + 91 22 49186195<br><b>Email:</b> <a href="mailto:mteducare.offer@linkintime.co.in">mteducare.offer@linkintime.co.in</a><br><b>Contact Person:</b> Mr. Sumeet Deshpande<br><b>SEBI Registration Number:</b> INR000004058 |

The schedule of major activities under the Offer is as follows:

| <b>Name of Activity</b>  | <b>Schedule of Activities</b> | <b>Revised Schedule of Activities</b> |
|--|-------------------------------|---------------------------------------|
|  | <b>Day and Date</b>           |                                       |
| Issue of Public Announcement   | Wednesday, February 14, 2018  | Wednesday, February 14, 2018          |
| Publication of this DPS in newspapers  | Thursday, February 22, 2018   | Thursday, February 22, 2018           |
| Filing of the draft Letter of Offer with SEBI  | Thursday, March 01, 2018      | Thursday, March 01, 2018              |
| Last date for public announcement for competing offer(s)   | Friday, March 16, 2018        | Friday, March 16, 2018                |
| Last date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)    | Friday, March 23, 2018        | Monday, April 16, 2018                |
| Identified Date*   | Monday, March 26, 2018        | Tuesday, April 17, 2018               |
| Last date for dispatch of the Letter of Offer to the Public Shareholders of the Target Company   | Tuesday, April 03, 2018       | Wednesday, April 25, 2018             |
| Last date for upward revision of the Offer Price and/or the Offer Size   | Thursday, April 05, 2018      | Wednesday, April 25, 2018             |
| Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the public shareholders of the Target Company for this Offer | Tuesday, April 10, 2018       | Thursday, April 26, 2018              |
| Date of publication of Offer opening public announcement, in the newspapers in which this DPS has been published   | Wednesday, April 11, 2018     | Tuesday, May 01, 2018                 |
| Date of commencement of the Tendering Period (“ <b>Offer Opening Date</b> ”)   | Thursday, April 12, 2018      | Thursday, May 03, 2018                |
| Date of closure of the Tendering Period (“ <b>Offer Closing Date</b> ”)  | Wednesday, April 25, 2018     | Wednesday, May 16, 2018               |
| Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders of the Target Company          | Monday, May 07, 2018          | Wednesday, May 30, 2018               |
| Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published   | Monday, May 14, 2018          | Thursday, June 07, 2018               |

*\*The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be posted. It is clarified that all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in the Offer at any time prior to the expiry of the Tendering Period.*

## RISK FACTORS

The risk factors set forth below pertain to the underlying transaction, this Offer and association with the Acquirer and the PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These risks are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associated with the Acquirer and the PAC. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder (as defined below) in this Offer, but are merely indicative. Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analyzing all the risks with respect to their participation in this Offer.

### A. Risk factors relating to the underlying transaction

1. In accordance with the terms and conditions of the SSA (as defined below), the completion of the Preferential Allotment (as defined below) is subject to the satisfaction or waiver of the conditions precedent set out in the SSA. Some of these conditions precedent are outlined in paragraph 2.1.10.1 below.
2. The underlying transaction is subject to completion risks as would be applicable to similar transactions.

### B. Risk factors relating to the Offer

1. The Acquirer may withdraw the Offer in accordance with the conditions specified in paragraph 6.3 of section 6 (*Statutory and other approvals*) in the Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SAST Regulations.
2. As on the date of this Letter of Offer, to the best knowledge of the Acquirer and the PAC, there are no statutory approvals required by the Acquirer and/or the PAC to complete this Offer. However, in case of any other statutory approvals being required by the Acquirer and/or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and/or the PAC shall make the necessary applications for such approvals. In case of delay in receipt of any statutory approvals which may be required by the Acquirer and/or the PAC at a later date, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and PAC agreeing to pay interest to the Public Shareholders of the Target Company for delay beyond 10 (Ten) Working Days at such rate as may be specified by SEBI from time to time in accordance with Regulation 18(11) of the SAST Regulations. Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Shareholders, the Acquirer will have the option to make payment of the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirer and the PAC will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused.
3. In the event of any litigation leading to a stay on this Offer by a court of competent jurisdiction; or SEBI instructing the Acquirer and the PAC not to proceed with this Offer, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer by the Acquirer, may be delayed.
4. The Public Shareholders should note that, under the SAST Regulations, once the Public shareholders have tendered their Equity Shares in the Offer, they will not be entitled to withdraw their Equity Shares from the Offer during the Tendering Period even if the acceptance of the Equity Shares in this Offer and/or the dispatch of consideration are delayed.
5. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer/ Clearing Corporation (as defined below), on behalf of the Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares held in trust by the Registrar to the Offer/ Clearing Corporation during such period, even if the acceptance of the Equity Shares in this Offer and/or dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. Accordingly, the Acquirer/PAC make no assurance with respect to the market price of the Equity Shares both during the Tendering Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Public Shareholder on

whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

6. In the case of over-subscription of this Offer i.e. the number of Equity Shares validly tendered by the Public Shareholders is more than the number of Offer Shares, acceptance will be determined on a proportionate basis (as detailed in paragraph 7.13.2 below) and hence, there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Public Shareholders in accordance with the schedule of activities for the Offer.
7. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PAC or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
8. All Public Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI (as defined below)) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and the 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.
9. The 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, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
10. The Acquirer, the PAC and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this Letter of Offer, the Offer Opening Public Announcement (as defined below) or in any corrigendum to the DPS and the PA (if issued) or in the advertisement or any materials issued by or at the instance of the Acquirer and the PAC, (excluding all information pertaining which has been obtained from publicly available sources), and anyone or any person placing reliance on any other source of information (not released by the Acquirer, the PAC or the Manager to the Offer) will be doing so at its own risk.
11. This Offer is subject to completion risks as would be applicable to similar transactions.

**C. Probable risks involved in associating with the Acquirer and the PAC**

1. The Acquirer and the PAC make no assurances with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.
2. The Acquirer and the PAC make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company and expressly disclaim their responsibility with respect to any decision by the Public Shareholders on whether or not to participate in this Offer.
3. The Acquirer and the PAC make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim their responsibility or obligation of any kind with respect to any decision by any Public Shareholder on whether or not to participate in this Offer.

**DISCLAIMER FOR U.S. PERSONS:**

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S under the US Securities Act of 1933, as amended, and who are not physically present in the USA. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the USA or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or

solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

**DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES:**

This Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

**CURRENCY OF PRESENTATION**

In this Letter of Offer, all references to “**Rs.**”/“**INR**” are to Indian Rupee(s), the official currency of India.

In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

## TABLE OF CONTENTS

| <b>Sr. No.</b> | <b>Subject</b>  | <b>Page No.</b> |
|----------------|---|-----------------|
| 1.             | Disclaimer  | 8               |
| 2.             | Details of the Offer                                  | 8               |
| 3.             | Background of the Acquirer and the PAC                | 14              |
| 4.             | Background of the Target Company                      | 21              |
| 5.             | Offer Price and Financial Arrangements                | 25              |
| 6.             | Terms and Conditions of the Offer                     | 28              |
| 7.             | Procedure for Acceptance and Settlement of this Offer | 29              |
| 8.             | Documents for Inspection                              | 39              |
| 9.             | Declarations by the Acquirer and the PAC              | 39              |

## DEFINITIONS/ABBREVIATIONS

| Term                                    | Definition/Details   |
|---|--|
| Acquirer/ ZLL                           | Zee Learn Limited  |
| Agreements                              | Shall mean, collectively, the SSA, SHA and the Supplemental Agreement  |
| BSE                                     | BSE Limited  |
| CDSL                                    | Central Depository Services (India) Limited  |
| CIN                                     | Corporate Identity Number  |
| Clearing Corporation                    | Clearing Corporation of Stock Exchanges  |
| Closing Date                            | Shall mean the date on which the Acquirer shall complete all requirements under the SAST Regulations relating to the Open Offer including the payment of consideration to the Public Shareholders of the Target Company who have successfully tendered Equity Shares in the Open Offer in accordance with Regulation 18(10) of the SAST Regulations. |
| Delisting Regulations                   | Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended  |
| Depositories                            | CDSL and NSDL  |
| Detailed Public Statement / DPS         | The detailed public statement dated February 21, 2018 in connection with the Offer, published on behalf of the Acquirer and the PAC on February 22, 2018 in Financial Express – English (all editions), in Jansatta - Hindi (all editions) and Navshakti (Mumbai edition)  |
| DP                                      | Depository Participant   |
| Draft Letter of Offer / DLoF/ Draft LoF | The Draft Letter of Offer dated March 1, 2018, filed with the SEBI pursuant to Regulation 16(1) of the SAST Regulations  |
| Effective Date                          | Shall mean February 14, 2018 i.e. the date on which the SSA is executed  |
| Emerging Share Capital                  | Shall mean the total voting equity share capital of the Target Company on a fully diluted basis as of the 10 <sup>th</sup> (tenth) Working Day from the closure of the Tendering Period of the Offer   |
| Equity Share Capital                    | Rs. 71,78,49,840 (Rupees Seventy One Crores Seventy Eight Lakhs Forty Nine Thousand Eight Hundred and Forty) being the total equity/voting share capital of the Target Company consisting of 7,17,84,984 (Seven Crores Seventeen Lakhs Eighty Four Thousand Nine Hundred and Eight Four) Equity Shares as on the date of this LoF                    |
| Equity Share(s)                         | Fully paid-up equity shares of the Target Company of face value of Rs. 10 (Rupees Ten only) each   |
| Equity Shareholder(s)/ Shareholder(s)   | All holders of Equity Shares, including beneficial owners of the Equity Shares   |
| Escrow Account                          | Escrow account under the name and title of “MT EDUCARE OPEN OFFER ESCROW ACCOUNT” bearing account number 918020014615117 with the Escrow Bank  |
| Escrow Amount                           | The amount deposited by the Acquirer in one or more account(s), having lien marked with an irrevocable right to encash the proceeds in favour of the Manager to the Offer, in compliance with Regulation 17 of the SAST Regulations  |
| Escrow Agent                            | Axis Bank Limited, having its registered office at Axis Bank Limited, “TRISHUL”, Third Floor, opposite Samarsheshwar Temple, near Law Garden, Ellisbridge, Ahmedabad – 380 006 and acting through its branch at, Jeevan Prakash Building, Sir PM Road, Fort Mumbai – 400001  |
| Escrow Agreement                        | Escrow agreement dated February 16, 2018 entered into between the Acquirer, the PAC, the Manager to the Offer and the Escrow Agent   |
| FEMA                                    | Foreign Exchange Management Act, 1999 (as amended)   |
| ICDR Regulations                        | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended   |
| Identified Date                         | The date falling on the 10 <sup>th</sup> (Tenth) Working Day prior to the commencement of the Tendering Period. The Identified Date for this Offer as per the schedule of activities is April 17, 2018   |
| Income Tax Act                          | The Income Tax Act, 1961 (as amended)  |
| Letter of Offer /LoF                    | This Letter of Offer dated April 20, 2018  |
| LODR Regulations                        | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended   |
| Manager to the Offer                    | Axis Capital Limited   |
| Maximum Open Offer Consideration        | Rs. 1,35,79,99,625/- (Rupees One Hundred Thirty Five Crore Seventy Nine Lakh Ninety Nine Thousand Six Hundred Twenty Five only) being the total consideration payable to the Public Shareholders by the Acquirer pursuant to the Offer   |
| NSDL                                    | National Securities Depository Limited   |
| NSE                                     | National Stock Exchange of India Limited   |
| Offer / Open Offer                      | Open offer being made by the Acquirer to the Public Shareholders of the Target Company   |



|                                       |   |
|---------------------------------------|---|
|                                       | to acquire up to 1,86,64,096 (One Crore Eighty Six Lakh Sixty Four Thousand and Ninety Six) Equity Shares, representing 26% (Twenty Six percent) of the Emerging Share Capital, at a the price of Rs. 72.76/- (Rupees Seventy Two Seventy Six paisa only) per Offer Share.  |
| Offer Opening Public Announcement     | The announcement of the commencement of the Tendering Period made on behalf of the Acquirer   |
| Offer Price                           | Rs. 72.76/- (Rupees Seventy Two Seventy Six paisa only) per Offer Share   |
| Offer Shares                          | 1,86,64,096 (One Crore Eighty Six Lakh Sixty Four Thousand and Ninety Six) Equity Shares  |
| Offer Size                            | Offer Shares representing 26.00 % (Twenty Six percent) of the Emerging Share Capital of the Target Company  |
| PAC/Sprit                             | Sprit Infrapower and Multiventures Private Limited  |
| PAN                                   | Permanent Account Number  |
| Public Announcement / PA              | The public announcement in connection with the Offer dated February 14, 2018 issued by the Manager to the Offer on behalf of the Acquirer and the PAC and submitted to Stock Exchanges on February 14, 2018 and submitted to SEBI and the Target Company on February 15, 2018   |
| Public Shareholders                   | Shall mean all the public shareholders of the Target Company and for avoidance of doubt excludes the parties to the Agreements or persons deemed to be acting in concert with these parties pursuant to and in compliance with the SAST Regulations.  |
| Preferential Allotment                | Issuance of the Preferential Shares representing 44.53% (Forty Four point Five Three percent) of the equity share capital of the Target Company as on the date of PA, by the Target Company to the Acquirer on a preferential allotment basis at a subscription price of Rs. 62.57 (Rupees Sixty Two and Fifty Seven paise) per Equity Share for cash aggregating to Rs. 1,99,99,99,994/- (Rupees One Hundred and Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety Four) |
| Preferential Allotment Escrow Account | Escrow account under the name and title of "LIPL MT EDUCARE PREFERENTIAL ALLOTMENT ESCROW DEMAT ACCOUNT" with NSDL  |
| Preferential Shares                   | 3,19,64,200 (Three Crore Nineteen Lakhs Sixty Four Thousand and Two Hundred) Equity Shares allotted to the Acquirer by the Target Company on a preferential allotment basis   |
| RBI                                   | Reserve Bank of India   |
| Registrar to the Offer / RTA          | Link Intime India Private Limited   |
| SAST Regulations                      | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended  |
| SCRR                                  | Securities Contracts (Regulation) Rules, 1957, as amended   |
| SEBI                                  | Securities and Exchange Board of India  |
| SEBI Act                              | Securities and Exchange Board of India Act, 1992, as amended  |
| Selling Broker                        | Shall have the meaning ascribed to it in paragraph 7.5 of section 7 ( <i>Procedure for Acceptance and Settlement of this Offer</i> ) of this Letter of Offer  |
| Shareholders' Agreement/ SHA          | Shall mean the Shareholders' Agreement dated February 14, 2018 entered into between the Acquirer, Mr. Mahesh Raghu Shetty and the Target Company  |
| Share Subscription Agreement/ SSA     | Shall mean the Share Subscription Agreement dated February 14, 2018 entered into between the Acquirer, Mr. Mahesh Raghu Shetty and the Target Company   |
| Stock Exchanges                       | BSE and NSE   |
| STT                                   | Securities Transaction Tax  |
| Supplemental Agreement                | Shall mean the supplemental agreement dated February 19, 2018 (supplemental to the SHA dated February 14, 2018) entered into between the Acquirer, Mr. Mahesh Raghu Shetty and the Target Company   |
| Target Company / Target               | MT Educare Limited  |
| Tendering Period                      | May 03, 2018 to May 16,2018 both days inclusive   |
| TRS                                   | Transaction Registration Slip   |
| Working Day(s)                        | Shall have the same meaning ascribed to it in the SAST Regulations  |

## 1. DISCLAIMER

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE 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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF MT EDUCARE LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, AXIS CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 1, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”**

## 2. DETAILS OF THE OFFER

### 2.1 Background of this Offer

- 2.1.1 This Offer is being made in accordance with Regulations 3(1) and 4 of the SAST Regulations as a result of the direct acquisition of Equity Shares by way of a preferential issue by the Acquirer in terms of the SSA leading to the acquisition of Equity Shares, voting rights in or control over the Target Company by the Acquirer and the approval by board of directors of Target Company for the Preferential Allotment.
- 2.1.2 The board of directors of the Target Company at its meeting held on February 14, 2018 has duly authorised the Preferential Allotment subject to its shareholders’ approval. A notice of the extraordinary general meeting dated February 14, 2018 for convening the extra-ordinary general meeting on March 12, 2018 was dispatched to the shareholders of the Target Company *inter alia* to approve the Preferential Allotment in accordance with the provisions of Sections 42, 62 of the Companies Act, 2013, the rules made thereunder, ICDR Regulations and other applicable provisions under the laws of India.
- 2.1.3 On February 14, 2018, the Acquirer, the Target Company and Mr. Mahesh Raghu Shetty, being the promoter of the Target Company have entered into the Share Subscription Agreement, pursuant to which the Acquirer has agreed to subscribe to the Preferential Shares at a price of Rs 62.57 (Rupees Sixty Two and Fifty Seven Paise) per Equity Share aggregating to Rs 1,99,99,99,994/- (Rupees One Hundred and Ninety Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety Four).
- 2.1.4 On February 14, 2018, the Acquirer, the Target Company and Mr. Mahesh Raghu Shetty, being the promoter of the Target Company have entered into the Shareholders’ Agreement and where the terms and conditions, the rights and obligations of the Acquirer and Mr. Mahesh Raghu Shetty (promoter of the Target Company), as shareholders of the Target Company, the management of the Target Company are recorded.
- 2.1.5 On February 19, 2018, the Acquirer, the Target Company and Mr. Mahesh Raghu Shetty, being the promoter of the Target Company have entered into the Supplemental Agreement in order to record the understanding and arrangement between the parties with respect to maintaining the minimum public shareholding of the Target Company.
- 2.1.6 The total consideration for the Preferential Shares shall be paid in cash by the Acquirer in terms of the SSA.

- 2.1.7 The subscription to the Preferential Shares by the Acquirer was subject to the receipt of the following statutory approvals:
- 2.1.7.1 receipt of the approval from the shareholders of the Target Company under the provisions of Sections 42 and 62 of the Companies Act, 2013 and in accordance with the provisions of Chapter VII of the ICDR Regulations, as amended and other applicable laws and rules, for the issue of the Preferential Shares to the Acquirer;
- 2.1.7.2 receipt of the ‘in-principle’ approval from the BSE and the NSE under Regulation 28 of the LODR Regulations and Regulation 107 of ICDR Regulations for the listing of the Preferential Shares.
- 2.1.8 Shareholders of the Target Company at their meeting held on March 12, 2018 have given their approval for the said Preferential Allotment. BSE and NSE vide their letters dated March 22, 2018 and March 16, 2018 respectively have given in-principle approval. The board of directors of Target Company at their meeting held on March 27, 2018 has allotted the Preferential Shares to the Acquirer.
- 2.1.9 Both the Acquirer and the existing promoter of the Target Company i.e. Mr. Mahesh Raghu Shetty will be the promoters of the Target Company upon the SHA coming into effect.
- 2.1.10 The salient features of the SSA are as follows:
- 2.1.10.1 The consummation of the Preferential Allotment under the SSA is subject to a number of conditions precedent. These include, amongst others, conditions such as (i) increasing the authorised share capital of the Target Company to accommodate the Preferential Allotment; (ii) receipt of various lenders consents; (iii) compliance with provisions of applicable laws.
- 2.1.10.2 During the period between the Effective Date and the Closing Date (both as defined in the SSA), the Target Company shall not *inter alia* undertake the following without the prior written consent of the Acquirer, wherein the Acquirer shall have to respond within a reasonable time. An indicative list of such actions is given below:
- i. take any other action through re-organisation, consolidation, merger, sale of Assets (as defined in the SSA) or otherwise;
  - ii. sell, transfer or in any other manner Encumber (as defined in the SSA) any of the Assets (as defined in the SSA) of value above Rs. 25,00,000 (Rupees Twenty Five Lakhs);
  - iii. make or declare any dividend or other distribution or effect any direct or indirect redemption of any share capital dividend or do or allow to be done anything which renders its financial position less favourable than at the Effective Date (as defined in the SSA);
  - iv. avail of any loans or other facilities from any bank, financial institutions or any other Person otherwise in the ordinary course of business;
  - v. amend the accounting policies or tax policies or practices previously adopted or change the Financial Year of the Company.
- 2.1.10.3 In terms of the SSA, it is agreed between the parties thereto that pending the completion of this Offer, the Target Company will allot and the Acquirer will acquire Preferential Shares in the Target Company. However, such Preferential Shares will be kept in an escrow account, the consideration for such Preferential Shares will be also be remitted by the Acquirer to be kept in a separate escrow account and the Acquirer will not exercise any voting rights over such Preferential Shares kept in the escrow account until the completion of the Offer in terms of Regulation 22(2A) of the SAST Regulations. Post the completion of this Offer in terms of the SAST Regulations and the occurrence of Closing (*as defined in the SSA*), the consideration for Preferential Shares will be released to the Target Company and the Preferential Shares will be released to the demat account of the Acquirer.
- 2.1.11 The Acquirer has established an escrow account under the name and title of “LIPL MT EDUCARE PREFERENTIAL ALLOTMENT ESCROW DEMAT ACCOUNT” with NSDL (“**Preferential Allotment Escrow Account**”) pursuant to Regulation 22(2A) of the SAST Regulations,
- 2.1.12 The salient features of the SHA are as follows:

- 2.1.12.1 The SHA will come into effect simultaneously with the Closing (as defined in the SSA).
- 2.1.12.2 Both the Acquirer and the existing promoter of the Target Company i.e. Mr. Mahesh Raghu Shetty will be the promoters of the Target Company upon the SHA coming into effect.
- 2.1.12.3 It is agreed by the parties to the SHA that if the Target Company proposes to issue any equity shares or any other securities or instruments to any person other than the Acquirer and Mr. Mahesh Raghu Shetty, the Target Company shall first offer such securities to the Acquirer and Mr. Mahesh Raghu Shetty in proportion to their shareholdings in the Target Company. If the Acquirer and Mr. Mahesh Raghu Shetty decline or fail to subscribe to any portion of their respective entitlement to the securities so offered, such declined/unsubscribed portion be offered to the non-declining party i.e. the Acquirer or Mr. Mahesh Raghu Shetty, as the case may be and thereafter, upon the Acquirer or Mr. Mahesh Raghu Shetty, declining to subscribe such securities, they shall be offered to the other shareholders of the Target Company.
- 2.1.12.4 The parties to the SHA have agreed to amend the articles of association of the Target Company to incorporate the terms of the SHA.
- 2.1.12.5 As per the SHA, there are restrictions on the Transfer of certain shares held by Mr. Mahesh Raghu Shetty. 50% (Fifty percent) of the shareholding of Mr. Mahesh Raghu Shetty in the Company, which is also pledged with certain banks/ financial institutions cannot be Transferred (as defined in the SHA) for a period of 3 (three) years from the Closing Date. The balance 50% (Fifty percent) of the shares of the Target Company held by Mr. Mahesh Raghu Shetty which also consists of pledged shares and unpledged shares are free of any lock in requirements. However, the portion of the non-locked in shares which are not pledged can be Transferred (other than by way of an encumbrance) only subject to the right of first refusal of the Acquirer and can be Transferred (by way of an encumbrance) with the written consent of the Acquirer.
- 2.1.12.6 Post the expiry of the lock-in period of 3 (three) years from the Closing Date, Mr. Mahesh Raghu Shetty and the Acquirer shall have customary Put Option and Call Option (*both as defined in the SHA*) respectively which can be exercised by them within a period of 6 (six) months from the expiry of 3 (three) years from the Closing Date. The details and the disclosures regarding the Call Option and Put Option are given below:
- i. Upon expiry of the lock-in period (i.e. 3 years from the Closing Date) and within a period of 6 (six) months from the date of expiry of such lock-in period (“**Transfer Period**”), the Mr. Mahesh Raghu Shetty shall transfer the Locked-in Shares in the following manner:
    - a. the Acquirer exercising its right to purchase the Locked-in Shares (“**Call Option**”) at the volume-weighted average market price for a period of 30 (thirty) trading days preceding the date of issuance of the notice sent by the Acquirer to Mr. Mahesh Raghu Shetty communicating its intent of exercising the Call Option; or
    - b. Mr. Mahesh Raghu Shetty exercising his right to sell the Locked-in Shares (“**Put Option**”) at the volume-weighted average market price for a period of 30 (thirty) trading days preceding the date of issuance of the notice sent by Mr. Mahesh Raghu Shetty to the Acquirer communicating its intent of exercising the Put Option.
  - ii. Upon the expiry of the Transfer Period, if the Acquirer or Mr. Mahesh Raghu Shetty do not exercise their Call Option or Put Option, respectively, in the manner set out above, Mr. Mahesh Raghu Shetty shall be entitled to transfer the abovementioned locked-in shares subject to compliance with the provisions of the right of first refusal available to the Acquirer under the SHA.
  - iii. It is hereby clarified that the Locked-in Shares aggregate to 50% (fifty percent) of the total shareholding of Mr. Mahesh Raghu Shetty in the Target Company.

- iv. The Acquirer has undertaken that while exercising the Call Option, the Acquirer shall comply with all applicable provisions of the SAST Regulations.
  - v. Mr. Mahesh Raghu Shetty has undertaken that while exercising the Put Option, Mr. Mahesh Raghu Shetty shall comply with all applicable provisions of the SAST Regulations.
- 2.1.12.7 Mr. Mahesh Raghu Shetty and his Affiliates (as defined in the SSA) are bound by non-compete and non-solicitation obligations in terms of the SHA. Mr. Mahesh Raghu Shetty, has not been paid any non-compete fees or any other consideration by the Acquirer.
- 2.1.12.8 After the SHA becomes effective, out of the existing directors on the board of directors of the Target Company, only Mr. Mahesh Raghu Shetty will continue to be a director on the board of directors of the Target Company and the Acquirer has the right to nominate the other directors on the board of directors of the Target Company in accordance with applicable laws.
- 2.1.13 The salient features of the Supplemental Agreement are as follows:
- 2.1.13.1 Mr. Mahesh Raghu Shetty has agreed to reduce his shareholding in the Target Company post the completion of the Offer within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding. If Mr. Mahesh Raghu Shetty fails to achieve the required minimum level of public shareholding, the Acquirer hereby undertakes that the promoter shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.
- 2.1.14 The Acquirer and Mr. Mahesh Raghu Shetty have vide separate letters both dated April 09, 2018 undertaken that the Acquirer and Mr. Mahesh Raghu Shetty shall be jointly and severally responsible and liable for maintaining the minimum public shareholding of the Target Company in accordance with Rule 19(2) and Rule 19(A) of the Securities Contracts (Regulation) Rules, 1957 and other applicable law.
- 2.1.15 The Acquirer and the PAC have not been prohibited by SEBI, from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.
- 2.1.16 There is no proposed change in the board of directors of the Target Company during the period of the Offer.
- 2.1.17 As per Regulation 26(6) of the SAST Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors to provide its reasoned recommendation on this Offer to the Public Shareholders. Such recommendation shall be published at least 2 (two) Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS was published in compliance with Regulation 26(7) of the SAST Regulations and a copy of such recommendation shall also be sent to SEBI, BSE, NSE and Manager to the Offer and in case of a competing offer(s) to the Manager(s) of such competing offer(s).

## 2.2 Details of this Offer

- 2.2.1 The PA in connection with the Offer was made on February 14, 2018 to the Stock Exchanges and a copy thereof was also filed with SEBI and the Target Company at its registered office on February 15, 2018.

- 2.2.2 In accordance with Regulation 14(3) of SAST Regulations, the DPS was published in the following newspapers on February 22, 2018:

| <b>Newspaper</b>  | <b>Language</b> | <b>Edition</b> |
|-------------------|-----------------|----------------|
| Financial Express | English         | All editions   |
| Janasatta         | Hindi           | All editions   |
| Navshakti         | Marathi         | Mumbai edition |

- 2.2.3 The PA and the DPS are also available on the website of SEBI at (<http://www.sebi.gov.in>).

- 2.2.4 This Offer is being made by the Acquirer along with the PAC to all the Public Shareholders of the Target Company to acquire up to 1,86,64,096 (One Crore Eighty Six Lakh Sixty Four Thousand and Ninety Six) Equity Shares, representing 26.00% (Twenty Six percent) of the Emerging Share Capital, at a offer price of Rs. 72.76/- (Rupees Seventy Two Seventy Six paisa only) per Offer Share aggregating to a total consideration of Rs. 1,35,79,99,625/- (Rupees One Hundred Thirty Five Crore Seventy Nine Lakh Ninety Nine Thousand Six Hundred Twenty Five only) assuming full acceptance of the Offer. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SAST Regulations. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer.

- 2.2.5 As on the date of this LoF, the total equity share capital of the Target Company (“**Equity Share Capital**”) is as follows:

| <b>Particulars</b>                              | <b>Number of Shares</b> | <b>Equity Share Capital (In Rupees)</b> | <b>% of Equity Share Capital</b> |
|---|-------------------------|---|----------------------------------|
| Fully paid up Equity Shares as on the LoF date  | 7,17,84,984             | 71,78,49,840                            | 100                              |
| Partly paid up Equity Shares as on the LoF date | Nil                     | Nil                                     | Nil                              |
| <b>Total</b>                                    | <b>7,17,84,984</b>      | <b>71,78,49,840</b>                     | <b>100</b>                       |

*Source: Target Company*

- 2.2.6 As on the date of this LoF, there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company as of 10th (tenth) working day from the closure of the Tendering Period. However, the Target Company has pursuant to the MT Educare Employee Stock Option Scheme 2016 (ESOS-2016) granted 7,38,450 (Seven Lakhs Thirty Eight Thousand Four Hundred and Fifty) Options (as defined in the ESOS-2016) which will vest in the following manner:

| <b>Date of Vesting</b> | <b>Percentage (%)</b> | <b>Eligibility (Maximum Options that can vest)</b> |
|------------------------|-----------------------|--|
| December 18, 2018      | 60%                   | 4,43,070   |
| December 18, 2019      | 30%                   | 2,21,535   |
| December 18, 2020      | 10%                   | 73,845   |

*Source: Target Company*

- 2.2.7 There is no differential pricing for this Offer.

- 2.2.8 This Offer is not a competing offer in terms of Regulation 20 of the SAST Regulations.

- 2.2.9 The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SAST Regulations.

- 2.2.10 To the best of the knowledge of the Acquirer and the PAC, there are no statutory approvals required by the Acquirer and/or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer and/or the PAC at a later date before the closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer and/or the PAC shall make the necessary applications for such approvals. In the event that the statutory approvals which may be required at a later date are refused for any reason outside the reasonable control of the Acquirer and/or PAC, the Acquirer and/or the PAC shall have the right to withdraw this Offer in terms of Regulation 23 of the SAST Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has

been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

- 2.2.11 The Acquirer has acquired the Preferential Shares having face value of Rs. 10 each of the Target Company which have been issued by the Target Company at a price of Rs. 62.57 (including a premium of Rs. 52.57/-) by virtue of the Preferential Allotment after the date of the PA i.e. February 14, 2018 and upto the date of this Letter of Offer. However, as per regulation 22(2A) of the SAST Regulations, the Preferential Shares shall be kept in the Preferential Allotment Escrow Account and the Acquirer shall not be able to exercise its voting rights in relation to the Preferential Shares until the completion of the Open Offer.
- 2.2.12 The PAC has not acquired any Equity Shares after the date of PA, i.e., February 14, 2018 and up to the date of this Letter of Offer.
- 2.2.13 If the aggregate valid responses to this Offer by the Public Shareholders are more than the Offer Size, then the offers received from the Public Shareholders will be accepted 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. The Acquirer will acquire all the Equity Shares validly accepted in this Offer.
- 2.2.14 The Equity Shares will be acquired by the Acquirer as fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 2.2.15 The Equity Shares are listed on BSE and NSE. As per Regulation 38 of the LODR Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. If, pursuant to this Offer, the public shareholding in the Target Company falls below the minimum level required as per the LODR Regulations read with Rule 19A of the SCRR, in terms of the SHA and the Supplemental Agreement, Mr. Mahesh Raghu Shetty has agreed to reduce his shareholding in the Target Company within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding. If Mr. Mahesh Raghu Shetty fails to achieve the required minimum level of public shareholding, the Acquirer will ensure that the promoter shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding. The Acquirer and Mr. Mahesh Raghu Shetty have vide separate letters both dated April 09, 2018 undertaken that the Acquirer and Mr. Mahesh Raghu Shetty shall be jointly and severally responsible and liable for maintaining the minimum public shareholding of the Target Company in accordance with Rule 19(2) and Rule 19(A) of the Securities Contracts (Regulation) Rules, 1957 and other applicable law.
- 2.2.16 The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of this LoF. The Manager to the Offer shall not deal, on their own account, in the Equity Shares of the Target Company during the Offer Period.

### 2.3 Objects of the Acquisition/ Offer

- 2.3.1 This Offer is being made by the Acquirer in terms of Regulations 3(1) and 4 read with Regulations 13(2)(g), 16(1) of the SAST Regulations. Following the completion of the Offer, the Acquirer intends to work with the management and employees of the Target Company to grow the business of the Target Company.
- 2.3.2 The object and purpose of acquisition of a substantial stake in the Target Company is aligned with the Acquirer's strategy to increase its footprint across the education sector and consolidate its educational offering, especially through the digital offering. The acquisition of Equity Shares of the Target Company through the Preferential Allotment will further strengthen its offering into 'Mount Litera Zee Schools', and it will also mark its entry into the high growth market of edutech and tutorials. The acquisition by the Acquirer of the Target Company is expected to create a high value content and enrich the student experience by leveraging the wisdom of strong content and academic teams of both Acquirer and Target Company.

- 2.3.3 In terms of Regulation 25(2) of the SAST Regulations, currently the Acquirer and/ or PAC does not have any intention to dispose-off or otherwise encumber any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, encumbrance, reconstruction, restructuring or otherwise outside the ordinary course of business. If the Acquirer and the PAC intend to alienate any material asset of the Target Company or any of its subsidiaries within a period of 2 (two) years from the date of completion of the Offer, a special resolution of the shareholders of the Target Company or any of its subsidiaries, as applicable, in accordance with proviso to Regulation 25(2) of the SAST Regulations would be taken before undertaking any such alienation of any material assets.

### 3. BACKGROUND OF THE ACQUIRER AND THE PAC

#### 3.1 Acquirer

- 3.1.1 Zee Learn Limited, the Acquirer is a public limited company bearing CIN: L80301MH2010PLC198405 and was incorporated on January 4, 2010 under the Companies Act, 1956. The name of the Acquirer has not changed since inception.
- 3.1.2 The registered office of the Acquirer is situated at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai- 400018, while its corporate office is situated at 513/A, 5th Floor, Kohinoor City, Kiro Road, Off L B S Marg, Kurla (West), Mumbai 400070. The telephone number of the Acquirer is 022-40343900 and its fax number is 022- 26743422.
- 3.1.3 The Acquirer being an Essel group company is engaged in the education segment with rapidly growing chain of K-12 schools (“Mount Litera Zee School”) and a large network of pre-schools (“Kidzee”) in its portfolio. The Acquirer through its brands ‘Zee Institute of Media Arts’ (ZIMA), a TV and film training institute, offers certificate courses in direction, acting, sound, editing, production and cinematography amongst other things; and ‘Zee Institute of Creative Art’ (ZICA) is a full-fledged classical and digital animation training academy in India that offers services for training the youth in classical 2D and modern 3D animation.
- 3.1.4 Pursuant to a composite scheme of amalgamation & arrangement between Zee Entertainment Enterprises Limited, ETC Networks Limited and the Acquirer under the provisions of the Sections 391-394 of the Companies Act, 1956, ETC Networks Limited was amalgamated into Zee Entertainment Enterprises Limited and the education business of Zee Entertainment Enterprises Limited was demerged into the Acquirer. Thereafter, pursuant to the scheme of amalgamation of Essel Entertainment Media Limited with the Acquirer and their respective shareholders and creditors under the provisions of the Sections 391-394 of the Companies Act, 1956 which was sanctioned vide an order dated June 17, 2011 of the High Court of Judicature of Bombay, Essel Entertainment Media Limited was amalgamated with the Acquirer.
- 3.1.5 The Acquirer is a part of the Essel group of companies.
- 3.1.6 The securities of the Acquirer are listed on the BSE and the NSE. The global depository receipts of the Acquirer which were listed on the Luxembourg Stock Exchange were converted into underlying equity shares of the Acquirer on January 15, 2018.
- 3.1.7 As on the date of this LoF, the issued and paid up share capital of the Acquirer is Rs. 32,58,95,472 (Rupees Thirty Two Crores Fifty Eight Lakhs Ninety Five Thousand Four Hundred and Seventy Two) comprising of 32,58,95,472 (Thirty Two Crores Fifty Eight Lakhs Ninety Five Thousand Four Hundred and Seventy Two) equity shares of Re. 1 (Rupee One) each.
- 3.1.8 The PAC is one of the promoters of the Acquirer and the Acquirer and the PAC have other common promoters i.e. Jayneer Infrapower and Multiventures Private Limited (formerly known as Jayneer Capital Private Limited) and Asian Satellite Broadcast Private Limited. As on the date of this DPS, the Acquirer and the PAC do not have any common directors.
- 3.1.9 The promoters of the Acquirer are the PAC, Jayneer Infrapower and Multiventures Private Limited (formerly known as Jayneer Capital Private Limited), Jayneer Enterprises LLP, Essel Media Ventures Private Limited, Essel Infraprojects Limited, Essel Holdings Limited and Asian Satellite Broadcast Private Limited.
- 3.1.10 The shareholding pattern of the Acquirer as on March 31, 2018 is given below:-



| Particulars                       | No. of Equity Shares held<br>(Face Value of Re.1 each) | Shareholding as a %<br>of total no. of shares |
|-----------------------------------|--|---|
| Promoter & Promoter Group         | 18,75,42,388   | 57.55   |
| Institutions                      | 7,90,79,040  | 24.26   |
| Non- Institutions                 | 5,92,74,044  | 18.19   |
| <b>Total No. of Equity Shares</b> | <b>325,239,397</b>                                     | <b>100.00</b>                                 |

3.1.11 The directors of the Acquirer are:

| S. No. | Name, DIN & Address  | Details of the experience   | Details of the qualifications   | Date of appointment |
|--------|--|---|---|---------------------|
| 1.     | Mr. Himanshu Mody<br>DIN:<br>00686830<br><br>Address: 1201/B Gardenia Building, Vasant Valley Film City Road, Malad East Mumbai 400097 | He is the non-executive chairman of the Acquirer and heads Finance & Strategy for the Essel Group.<br><br>He has 14 (fourteen) years of experience in Corporate Strategy and Finance. Mr. Himanshu Mody started his career as a management trainee with Barclays Bank, London city office. After a 2 (two) year intensive course, he returned to India to start the Fun Republic chain of multiplexes as a senior member in the Finance team.<br><br>Mr. Himanshu Mody has worked directly with Mr. Subhash Chandra, Chairman, Essel Group, for over a decade in various Corporate Strategy, Fund raising and Mergers & Acquisitions initiatives undertaken by the Essel Group. Prior to heading the Essel Group's Finance and Strategy department, he was Business Head for the Essel Group's Sports business, since its inception, which included launch of the Zee Sports channel, buyout of Ten Sports (one of a leading sports channel in South Asia).         | MSC in Finance from University of Strathclyde, Glasgow.   | January 04, 2010    |
| 2.     | Dr. Sangeeta Pandit<br>DIN:<br>06748608<br>Address: Madhav Vilas, Top Floor, 8, Setalwad Road, Off Nepean Sea Road, Mumbai 400026      | Dr. Sangeeta Pandit serves as an Independent Director of the Acquirer. Dr. Pandit was partner in M/s P. D. Kunte and Co., Chartered Accountants. She has about 30 (thirty) years of experience and expert knowledge in the areas of audit and representative practice, statutory and internal audits and tax and finance related matters.<br><br>Dr. Sangeeta Pandit is a visiting faculty to various educational institutes of repute such as Jammalal Bajaj Institute of Management Studies, Xavier's Institute of Management Research and University of Wisconsin in US. She was editor of Bombay Chartered Accountants Society's Referencer, a reckoner used by chartered accountants. She authored couple of books published by Bombay Chartered Accountants Society. She is now head of Department of Finance at Sydenham B-School, is a corporate trainer and does consultancy in Strategy. She is an active member of Bombay Chartered Accountants Society. | Bachelors of Commerce (Hons) and fellow member of the Institute of Chartered Accountants of India and PhD in Commerce & Management                    | December 01, 2013   |
| 3.     | Dr. Manish Agarwal<br>DIN:<br>02069969<br>Address: Ullas, 1st Floor 17, Laburnum Road (Next To Mani Bhavan), Gamdevi Mumbai 400007     | Dr. Manish Agarwal serves as an Independent Director of the Acquirer. Dr. Agarwal is an Orthopaedic Oncologist involved in clinical, teaching and research work. He has been member of various professional organisations and has been recipient of various prestigious awards/medals like Shree Jairamdas Berry Gold Medal, Gold Medal for Orthopaedic Surgery. Dr. Manish Agarwal has contributed articles in various publications and authored various books in area of is specialization.   | M.B.B.S from University of Bombay, D. (Ortho) from College of Physicians & Surgeons, M.S. (Ortho) from University of Bombay, D.N.B. (Ortho), National | January 04, 2010    |

| S. No. | Name, DIN & Address  | Details of the experience  | Details of the qualifications   | Date of appointment  |
|--------|--|--|---|--|
|        |  |  | Board of Examination, New Delhi and Diploma in Tissue Banking from National University of Health, Singapore.    |  |
| 4.     | Mr. Ajey Kumar<br>DIN:<br>02278096<br>Address: Flat 102, Dheeraj Valley Tower - 1 Near Ciba Geigy Factory, Goregaon (East) Mumbai 400063 | Mr. Ajey Kumar serves as an Executive Director of the Acquirer. He is a senior professional who has global experience in Strategy, Business Leadership, Turnarounds and Startups. He has worked in reputed companies like HUL, Lupin, Ethypharm etc. and has expertise in areas like Consumer goods, Life Sciences, Wellness, Education, Services, Real Estate etc.  | B.E. (E&C) from Delhi College of Engineering and MBA from FMS, Delhi University.                                | October 28, 2015   |
| 5.     | Ms. Nandita Agarwal Parker<br>DIN:<br>00189131<br>Address: 7, Silver Oaks Avenue Westend Greens, Rajokri New Delhi 110038.               | Ms. Nandita Agarwal Parker is the founder of Karma Capital Management LLC, a US Advisor, Private Fund and SEBI registered 'Foreign Portfolio Investor' Fund Investment Manager. Ms. Nandita Agarwal Parker, a pioneer in India's Alternative Investment Fund industry, launched one of the 1st India dedicated offshore funds in 2004. She has more than 20 (twenty) years of combined experience in asset management and equities research. | MBA in Finance from the College of William & Mary (Williamsburg, Virginia), BA in Economics (Honors) from Delhi | Appointed as Additional Director with effect from January 15, 2018 |

- 3.1.12 None of the directors of the Acquirer are on the board of the directors of the Target Company.
- 3.1.13 As on the date of this LoF, the Acquirer is the holder of the Preferential Shares having face value of Rs. 10 each of the Target Company which have been issued by the Target Company at a price of Rs. 62.57 (including a premium of Rs. 52.57/-) . The Acquirer does not have any arrangements with Target Company. Further, none of the directors or key managerial personnel of the Acquirer have any interest in the Target Company. However, as per regulation 22(2A) of the SAST Regulations, the Preferential Shares shall be kept in the Preferential Allotment Escrow Account and the Acquirer shall not be able to exercise its voting rights in relation to the Preferential Shares until the completion of the Open Offer.
- 3.1.14 Key financial information of the Acquirer based on its audited consolidated financial statements as on and for the financial years ended March 31, 2015, March 31, 2016 and March 31, 2017 and the limited review consolidated accounts as on and for the half year ended September 30, 2017, is as below:

**Profit & Loss Statement:****(Rupees in Lakhs)**

| Particulars                                  | As at September 30, 2017* (Limited reviewed) | As at and for financial year ended March 31, 2017 # (Audited) | As at and for financial year ended March 31, 2016 # (Audited) | As at and for financial year ended March 31, 2015# (Audited) |
|--|--|---|---|--|
| Income from Operations                       | 12,833.60                                    | 17,891.33   | 15,156.58   | 12,778.33  |
| Other Income                                 | 87.09  | 204.32  | 198.22  | 383.50   |
| Total Income                                 | 12,920.69                                    | 18,095.65   | 15,354.80   | 13,161.83  |
| Total Expenditure                            | 7,884.91                                     | 11,658.49   | 10,829.93   | 9,717.49   |
| Profit Before Depreciation, Interest and Tax | 5,035.78                                     | 6,437.16  | 4,524.87  | 3,444.34   |
| Depreciation                                 | 562.67                                       | 979.56  | 1,018.95  | 934.54   |
| Interest                                     | 838.48                                       | 1,898.83  | 1,997.59  | 1,520.43   |
| Profit Before Tax                            | 3,634.63                                     | 3,558.77  | 1,508.32  | 989.37   |
| Provision for Tax                            | 1,221.21                                     | 106.38  | -   | -  |
| Profit After Tax                             | 2,413.42                                     | 3,665.15  | 1,508.32  | 989.37   |

**Balance Sheet Statement****(Rupees in Lakhs)**

| Particulars   | As at September 30, 2017* (Limited reviewed) | As at and for financial year ended March 31, 2017 # (Audited) | As at and for financial year ended March 31, 2016# (Audited) | As at and for financial year ended March 31, 2015# (Audited) |
|---|--|---|--|--|
| <b>Sources of Funds</b>                               |  |   |  |  |
| Paid up share Capital                                 | 3,243.62                                     | 3,226.42  | 3,205.54   | 3,200.01   |
| Reserves and Surplus (excluding revaluation reserves) | 28,907.18                                    | 25,892.85   | 21,813.07  | 20,187.13  |
| Net worth   | 32,150.80                                    | 29,119.27   | 25,018.61  | 23,387.14  |
| Secured loans   | 23,580.24                                    | 21,412.50   | 34,599.50  | 29,597.50  |
| Unsecured Loans                                       | 11,794.50                                    | 13,499.48   | 914.22   | 190.63   |
| <b>Total</b>  | <b>67,525.54</b>                             | <b>64,031.25</b>  | <b>60,532.33</b>   | <b>53,175.27</b>   |
| <b>Uses of funds</b>                                  |  |   |  |  |
| Net fixed assets                                      | 65,675.65                                    | 64,568.95   | 62,266.96  | 61,559.29  |
| Investments   | 0.05   | 0.05  | 0.05   | 0.05   |
| Net current assets                                    | 1,849.84                                     | (537.75)  | (1,734.68)   | (8,384.07)   |
| Total miscellaneous expenditure not written off       | -  | -   | -  | -  |
| <b>Total</b>  | <b>67,525.54</b>                             | <b>64,031.25</b>  | <b>60,532.33</b>   | <b>53,175.27</b>   |

**Other Financial Data**

| Particulars             | As at September 30, 2017* (Limited reviewed) | As at and for financial year ended March 31, 2017 (Audited) | As at and for financial year ended March 31, 2016 (Audited) | As at and for financial year ended March 31, 2015 (Audited) |
|-------------------------|--|---|---|---|
| Dividend (%)            | -  | 10% <sup>§</sup>  | -   | -   |
| Earning Per Share (EPS) | 0.74**                                       | 1.14  | 0.47  | 0.31  |

\* The Acquirer has adopted the Indian Accounting Standards (IND AS) from April 01, 2017 and these financials have been prepared in accordance with the recognition and measurement principles laid down in IND AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

\*\*Not annualised

§ 5% Interim dividend and 5% Final dividend

# The financials for the financial year ended March 31, 2017, March 31, 2016 and March 31, 2015, were prepared in accordance with Indian GAAP.

Source: The financial information set forth above has been extracted from Acquirer's audited financial statements as on and for the financial years ended March 31, 2015, March 31, 2016, March 31, 2017 audited by the Statutory Auditor of the Acquirer and limited reviewed financial statements by the Statutory Auditor of Acquirer as on and for 6 (six) months ended September 30, 2017.

3.1.15 The details of the contingent liabilities of the Acquirer are:

*(Rupees In lakhs)*

| Sr. No. | Contingent Liabilities  | As at and for financial year ended March 31, 2017 (Audited) | As at and for financial year ended March 31, 2016 (Audited) | As at and for financial year ended March 31, 2015 (Audited) |
|---------|---|---|---|---|
| 1.      | Claims against the company not acknowledged as debts*                     | 76.91   | 126.17  | 123.80  |
| 2.      | Disputed direct tax   | 734.83  | 1,001.98  | 904.47  |
| 3.      | Disputed indirect taxes   | 1,138.13  | 402.76  | 402.76  |
| 4.      | Corporate guarantee to others to the extent of loans availed/ outstanding | 16,000.00   | -   | -   |

\*does not include Interest amount, as interest rate has not been adjudicated by court.

3.1.16 The closing market price on April 19, 2018 of the equity shares having a face value of Re. 1 (Rupee One) each of the Acquirer listed on the Stock Exchanges is given below:

| Stock Exchange | Closing Market Price per equity shares having a face value of Re. 1 (One) each (In Rs. ) |
|----------------|--|
| BSE            | 36.75  |
| NSE            | 36.85  |

3.1.17 The Acquirer has confirmed that it is in compliance with the Corporate Governance requirements of the LODR Regulations.

3.1.18 Mr. Bhautesh Ashwin Shah is the company secretary and the compliance officer of the Acquirer who was appointed as such on August 16, 2017.

3.1.19 The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

3.1.20 The Acquirer has confirmed that it is not categorized as "wilful defaulter" in terms of Regulation 2(1)(ze) of the SAST Regulations.

3.1.21 The ultimate beneficial owners of the Acquirer are Mr. Subhash Chandra and his family.

## 3.2 PAC

3.2.1 Sprit Infrapower and Multiventures Private Limited, the PAC is a private limited company bearing CIN U74110MH2008PTC178527 which was incorporated on February 5, 2008 under the Companies Act, 1956. The PAC was incorporated under the name 'Sprit Lounge Private Limited' and its name was changed to Sprit Textiles Private Limited and a fresh certificate of incorporation dated July 3, 2012 was issued by the Registrar of Companies, Mumbai. The name of the PAC was further changed to its current name 'Sprit Infrapower and Multiventures Private Limited' on November 2, 2017.

3.2.2 The registered office and the corporate office of the PAC is situated at 18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400013.

3.2.3 The PAC is currently engaged in the business of trading of fabrics in the state of Maharashtra, India.

3.2.4 The PAC is a part of the Essel group of companies.

3.2.5 The shares and securities of the PAC are not listed on any stock exchanges.

- 3.2.6 The relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SAST Regulations are not applicable to the PAC with respect to the Target Company as the PAC has not in the past acquired and does not presently hold any Equity Shares in the Target Company.
- 3.2.7 As of the date of this LoF, the PAC, its directors and key employees do not have any interest in the Target Company.
- 3.2.8 As on the date of this LoF, the aggregate issued and paid up share capital of the PAC comprises of Rs. 1,00,000 (Rupees One Lakh) divided into 10,000 equity shares of Rs. 10 each and Rs.7,41,900 (Rupees Seven Lakhs Forty One Thousand and Nine Hundred only) comprising of 74,190 (Seventy Four Thousand One Hundred and Ninety) preference shares of Rs. 10 (Rupees Ten) each.
- 3.2.9 The PAC is promoted and controlled by Mrs. Sushila Goenka, Asian Satellite Broadcast Private Limited and Jayneer Infrapower and Multiventures Private Limited (formerly known as Jayneer Capital Private Limited).
- 3.2.10 The PAC is one of the promoters of the Acquirer and the Acquirer and the PAC have other common promoters i.e. Jayneer Infrapower and Multiventures Private Limited (formerly known as Jayneer Capital Private Limited) and Asian Satellite Broadcast Private Limited. As on the date of this DPS, the Acquirer and the PAC do not have any common directors.
- 3.2.11 The shareholding pattern of the PAC as on March 31, 2018 is given below –

| Sl. no.                      | Shareholders' Category         | No. of Equity Shares held (Face Value of Rs. 10 each) | Shareholding as a % of total no. of shares |
|------------------------------|--------------------------------|---|--|
| 1                            | Promoter & Promoter Group      | 10,000  | 100%                                       |
| 2                            | FII's/ Mutual Funds/FIs/ Banks | NA  | NA   |
| 3                            | Public                         | NA  | NA   |
| <b>Total Paid Up Capital</b> |                                | 10,000  | 100%                                       |

- 3.2.12 The directors of the PAC are:

| S. No. | Name, DIN & Address  | Details of the experience   | Details of the qualifications                                    | Date of appointment |
|--------|--|---|--|---------------------|
| 1      | Mr. Vinay Kumar Agarwal<br>DIN: 05273897<br>Address: 340/502, Kalpataru Shrishti Complex, Sector 3, PH-IV, Penkarpada, Mira Road East, Thane 401017<br>DIN: 05273897 | Mr. Vinay Kumar Agarwal serves as a non- executive director on the board of directors of the PAC and has a vast experience in field of Accounts and Audit with over 20 (Twenty) years of experience. He has worked with the Government of the state of Uttar Pradesh for social upliftment, Amar Ujala Publication as an internal audit head and is currently working with the Essel Group since past 9 (Nine) years handling into various departments such as Commercial Purchase, Finance and Accounts. | Fellow member of the Institute of Chartered Accountants of India | February 06, 2015   |
| 2      | Mr. Sanjeev Chaudhary<br>DIN: 03099019<br>Address: 401- A, Ram Tower, Off link Road, Near Yogi Nagar, Borivali West Mumbai 400092                                    | Mr. Sanjeev Chaudhary serves as a non- executive director on the board of directors of the PAC and has vast experience in field of consultancy and business. Mr. Sanjeev Chaudhary had his independent business venture in the field of textile (of more than 7 (Seven) years) and is currently engaged   | Bachelors of Commerce (Hons)                                     | June 20, 2012       |

| S. No. | Name, DIN & Address | Details of the experience  | Details of the qualifications | Date of appointment |
|--------|---------------------|--|-------------------------------|---------------------|
|        |                     | in the stationary distribution business (more than 22 (Twenty Two) years). |                               |                     |

- 3.2.13 None of the directors of the PAC are on the board of the directors of the Target Company.
- 3.2.14 As on the date of this LoF, the PAC does not hold any equity shares in the Target Company. The PAC does not have any arrangements with Target Company. Further, none of the directors or key managerial personnel of the PAC have any interest in the Target Company.
- 3.2.15 Key financial information of the PAC based on its audited standalone financial statements as on and for the financial years ended March 31, 2015, March 31, 2016 and March 31, 2017 and the limited review standalone accounts as on and for the half year ended September 30, 2017, is as below:

#### Profit & Loss Statement

(Rupees in Lakhs)

| Particulars                                  | As at September 30, 2017 (Limited reviewed) | As at and for financial year ended March 31, 2017 (Audited) | As at and for financial year ended March 31, 2016 (Audited) | As at and for financial year ended March 31, 2015 (Audited) |
|--|---|---|---|---|
| Income from Operations                       | -   | 6,795.33  | 93.04   | 9,581.75  |
| Other Income                                 | 5,695.25                                    | 2,441.94  | 2,544.06  | 256.75  |
| Total Income                                 | 5,695.25                                    | 9,237.27  | 2,637.10  | 9,838.51  |
| Total Expenditure                            | 158.42                                      | 9,245.09  | 3,928.89  | 9,581.08  |
| Profit Before Depreciation, Interest and Tax | 5,536.83                                    | (7.82)  | (1,291.79)  | 257.43  |
| Depreciation                                 | -   | -   | -   | -   |
| Interest                                     | 15,549.28                                   | 26,324.36   | 21,548.34   | 15,187.08   |
| Profit Before Tax                            | (10,012.45)                                 | (26,332.18)   | (22,840.12)   | (14,929.65)   |
| Provision for Tax                            | -   | -   | -   | -   |
| Profit After Tax                             | (10,012.45)                                 | (26,332.18)   | (22,840.12)   | (14,929.65)   |

#### Balance Sheet Statement

(Rupees in Lakhs)

| Particulars   | As at September 30, 2017 (Limited reviewed) | As at and for financial year ended March 31, 2017 (Audited) | As at and for financial year ended March 31, 2016 (Audited) | As at and for financial year ended March 31, 2015 (Audited) |
|---|---|---|---|---|
| <b>Sources of Funds</b>                               |   |   |   |   |
| Paid up share Capital                                 | 8.42  | 8.42  | 8.42  | 8.42  |
| Reserves and Surplus (excluding revaluation reserves) | 43,660.30                                   | 53,672.75   | 80,004.93   | (14,908.18)   |
| Net worth   | 43,668.72                                   | 53,681.17   | 80,013.35   | (14,899.76)   |
| Secured loans   | -   | -   | -   | -   |
| Unsecured Loans                                       | 228,230.00                                  | 200,730.00  | 189,930.00  | 139,600.00  |
| <b>Total</b>  | <b>271,898.72</b>                           | <b>254,411.17</b>   | <b>269,943.35</b>   | <b>124,700.24</b>   |
| <b>Uses of funds</b>                                  |   |   |   |   |
| Net fixed assets                                      | 176,340.98                                  | 176,312.44  | 172,272.55  | 72,638.66   |
| Investments   | -   | -   | -   | -   |
| Net current assets                                    | 95,557.74                                   | 78,098.74   | 97,670.81   | 52,061.58   |
| Total miscellaneous expenditure not written off       | -   | -   | -   | -   |
| <b>Total</b>  | <b>271,898.72</b>                           | <b>254,411.17</b>   | <b>269,943.35</b>   | <b>124,700.24</b>   |

## Other Financial Data

| Particulars       | As at September 30, 2017 (Limited reviewed) | As at and for financial year ended March 31, 2017 (Audited) | As at and for financial year ended March 31, 2016 (Audited) | As at and for financial year ended March 31, 2015 (Audited) |
|-------------------|---|---|---|---|
| Dividend (%)      | -   | -   | -   | -   |
| Earning Per Share | (100,124.50)*                               | (263,321.79)  | (228,401.23)  | (149,296.53)  |

\*Not annualised

Source: The financial information set forth above has been extracted from the PAC's audited financial statements as on and for the financial years ended March 31, 2015, March 31, 2016, March 31, 2017 audited by the Statutory Auditor of the PAC and limited review financial statements by the Statutory Auditor of the PAC as on and for 6 (six) months ended September 30, 2017. The financials as on and for the 6 (six) months ended September 30, 2017 and for the financial year ended March 31 2017, March 31, 2016 and March 31, 2015, were prepared in accordance with Indian GAAP.

3.2.16 The details of the contingent liabilities of the PAC are:

| (Rupees in Lakhs) |                        |   |   |   |
|-------------------|------------------------|---|---|---|
| Sr. No.           | Contingent Liabilities | As at and for financial year ended March 31, 2017 (Audited) | As at and for financial year ended March 31, 2016 (Audited) | As at and for financial year ended March 31, 2015 (Audited) |
| 1.                | Disputed direct tax    | 8,874.95  | 23,634.08   | 22,813.40   |

3.2.17 The PAC has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

3.2.18 The PAC has confirmed that it is not categorized as "wilful defaulter" in terms of Regulation 2(1)(ze) of the SAST Regulations.

3.2.19 The ultimate beneficial owners of the PAC are Mrs. Sushila Goenka and her family.

## 4. BACKGROUND OF THE TARGET COMPANY

- 4.1 The Target Company is a public limited company bearing CIN L80903MH2006PLC163888. The Target Company was originally incorporated on August 19, 2006 as a private limited company under the Companies Act, 1956. Upon the conversion of the Target Company from a private limited company into a public limited company, the name of the Target Company was changed from MT Educare Private Limited to its current name MT Educare Limited and a fresh certificate of incorporation dated May 18, 2011 was issued by the Registrar of Companies, Mumbai and the name of the Target Company stood changed from May 18, 2011. The registered office of the Target Company is situated at 220, 2nd Floor, "Flying Colors", Pandit Din Dayal Upadhyay Marg, L.B.S Cross Road, Mulund (West), Mumbai 400080.
- 4.2 The Equity Shares of the Target Company are listed on BSE (Scrip Code: 534312) and NSE (Symbol: MTEDUCARE). The Target Company got listed on BSE and NSE on April 12, 2012.
- 4.3 The Target Company is promoted by Mr. Mahesh Raghu Shetty.
- 4.4 The Target Company is an education support and coaching services provider in school, science and commerce (including UVA) streams across the state of Maharashtra and has operations / presence in other states of India like Tamil Nadu, Kerala, Andhra Pradesh, Telangana, Karnataka, Punjab, Chandigarh, Haryana, Assam, Odisha, Uttar Pradesh and Gujarat. The Target Company also offers specialized coaching for national level examinations like the JEE advanced and mains for engineering, NEET for medical, CPT/IPCC/CA Final for commerce, and CAT/CET for MBA aspirants.
- 4.5 The Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the SAST Regulations.
- 4.6 The trading of the Equity Shares of the Target Company is not suspended on any the Stock Exchanges.

- 4.7 As on the date of the LoF, the authorized share capital of the Target Company is Rs. 80,00,00,000 (Rupees Eighty Crores) comprising of 8,00,00,000 (Eight Crores) Equity Shares of Rs. 10 (Rupees Ten) each. As on the date of the LoF, the issued, subscribed and fully paid-up equity share capital of the Target Company is Rs. 71,78,49,840 (Rupees Seventy One Crores Seventy Eight Lakhs Forty Nine Thousand Eight Hundred and Forty) consisting of 7,17,84,984 (Seven Crores Seventeen Lakhs Eighty Four Thousand Nine Hundred and Eight Four) Equity Shares. The Target Company does not have partly paid-up equity shares. The Equity Share Capital of the Target Company can be divided as follows:

| Particulars                                     | Number of Shares    | Equity Share Capital (In Rupees) | % of Equity Share Capital |
|---|---------------------|----------------------------------|---------------------------|
| Fully paid up Equity Shares as on the LoF date  | 7,17,84,984         | 71,78,49,840                     | 100                       |
| Partly paid up Equity Shares as on the LoF date | Nil                 | Nil                              | Nil                       |
| <b>Total paid up Equity Shares</b>              | <b>7,17,84,984</b>  | <b>71,78,49,840</b>              | <b>100</b>                |
| <b>Total voting rights in Target Company</b>    | <b>7,17,84,984*</b> | <b>71,78,49,840</b>              | <b>100</b>                |

Source: Target Company

\*Acquirer will be able to exercise its voting rights with respect to the Preferential Shares, i.e. 3,19,64,200 Equity Shares acquired pursuant to the Preferential Allotment, post completion of Open Offer in accordance with Regulation 22(2A) of the SAST Regulations.

- 4.8 As on the date of this LoF, there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company as of 10th (tenth) working day from the closure of the Tendering Period. However, the Target Company has pursuant to the MT Educare Employee Stock Option Scheme 2016 (ESOS-2016) granted 7,38,450 (Seven Lakhs Thirty Eight Thousand Four Hundred and Fifty) Options (as defined in the ESOS-2016) which will vest in the following manner:

| Date of Vesting   | Percentage (%) | Eligibility (Maximum Options that can vest) |
|-------------------|----------------|---|
| December 18, 2018 | 60%            | 4,43,070                                    |
| December 18, 2019 | 30%            | 2,21,535                                    |
| December 18, 2020 | 10%            | 73,845                                      |

Source: Target Company

- 4.9 The details of the board of directors of the Target Company as of the date of the Letter of Offer are provided below:

| Name of the Director      | Designation                              | DIN      | Date of Appointment |
|---------------------------|--|----------|---------------------|
| Mahesh Raghu Shetty       | Chairman and Managing Director (CMD)     | 01526975 | August 19, 2006     |
| Chhaya Satyanand Shastri  | Non Executive & Non Independent Director | 01536140 | April 08, 2011      |
| Narayanan Balasubramanian | Non Executive & Non Independent Director | 00295246 | August 19, 2006     |
| Drushti Rahul Desai       | Non Executive & Independent Director     | 00294249 | April 08, 2011      |
| Yatin Chandrakant Samant  | Non Executive & Independent Director     | 01088817 | April 08, 2011      |
| Uday Raghuvir Lajmi       | Non Executive & Independent Director     | 03529980 | June 02, 2011       |

- 4.10 There is no representative of the Acquirer on the board of directors of the Target Company prior to the Offer.
- 4.11 There have been no mergers/de-mergers, spin-offs during the last 3 (three) years in the Target Company.
- 4.12 The key financial information of the Target Company, based on its audited consolidated financial statements as at and for the 12 month period ended March 31, 2017, March 31, 2016 and March 31, 2015 and the interim unaudited consolidated financial information, which has been subject to limited review by the Target Company's Statutory Auditor, M/s. MZSK & Associates, Chartered Accountants, as at and for the 6 (six) month period ending on September 30, 2017, are as follows:



**Profit & Loss Statement**
**(Rupees in Lakhs)**

| Particulars                                  | As at September 30, 2017* (Limited reviewed) | As at and for financial year ended March 31, 2017 # (Audited) | As at and for financial year ended March 31, 2016 # (Audited) | As at and for financial year ended March 31, 2015# (Audited) |
|--|--|---|---|--|
| Income from operations                       | 14,052.62                                    | 30,106.80   | 28,708.31   | 22,698.54  |
| Other income                                 | 766.96                                       | 1,151.96  | 850.38  | 707.92   |
| Total income                                 | 14,819.58                                    | 31,258.76   | 29,558.69   | 23,406.46  |
| Total expenditure                            | 12,042.51                                    | 25,197.47   | 22,920.48   | 18,039.90  |
| Profit Before depreciation, interest and Tax | 2,777.07                                     | 6,061.29  | 6,638.21  | 5,366.56   |
| Depreciation                                 | 1,087.66                                     | 1,913.95  | 1,561.44  | 891.33   |
| Interest                                     | 1,141.75                                     | 1,351.00  | 327.49  | 401.62   |
| Profit Before Tax                            | 547.66                                       | 2,796.34  | 4,749.28  | 4,073.61   |
| Provision for Tax                            | 260.38                                       | 1,077.11  | 1,530.50  | 1,167.93   |
| Profit after tax after minority interest     | 287.28                                       | 1,719.23  | 3,234.61  | 2,972.47   |

**Balance Sheet Statement**
**(Rupees in Lakhs)**

| Particulars   | As at September 30, 2017*(Limited reviewed) | As at and for financial year ended March 31, 2017 # (Audited) | As at and for financial year ended March 31, 2016# (Audited) | As at and for financial year ended March 31, 2015# (Audited) |
|---|---|---|--|--|
| <b>Sources of funds</b>                                 |   |   |  |  |
| Paid up share capital                                   | 3,982.08                                    | 3,982.08  | 3,982.08   | 3,979.41   |
| Reserves and surpluses (excluding revaluation reserves) | 12,245.02                                   | 12,593.75   | 10,874.5   | 8,593.77   |
| Net worth   | 16,227.10                                   | 16,575.83   | 14,856.59  | 12,573.18  |
| Secured loans   | 16,754.62                                   | 12,442.78   | 3,499.00   | 495.40   |
| Unsecured loans   | 499.91                                      | 1,926.45  | 0  | -  |
| Minority Interest                                       | -   | -   | -  | 40.26  |
| Other Non Current Liabilities                           | 1,013.12                                    | 486.60  | 728.96   | 863.51   |
| <b>Total</b>  | <b>34,494.76</b>                            | <b>31,431.66</b>  | <b>19,084.55</b>   | <b>13,972.35</b>   |
| <b>Uses of funds</b>                                    |   |   |  |  |
| Net fixed assets  | 6,242.79                                    | 7,234.44  | 6,745.88   | 5,455.53   |
| Goodwill  | 1,627.52                                    | 1,627.52  | 1,627.52   | 1,615.97   |
| Investments   | 78.46                                       | 78.46   | 78.46  | 78.46  |
| Other Non current assets / DTA / LT Loans &adv          | 13,179.62                                   | 12,603.95   | 11,385.03  | 8,420.30   |
| Net current assets                                      | 13,366.36                                   | 9,887.29  | -752.34  | -1,597.91  |
| Total miscellaneous expenditure not written off         |   |   |  |  |
| <b>Total</b>  | <b>34,494.76</b>                            | <b>31,431.66</b>  | <b>19,084.55</b>   | <b>13,972.35</b>   |

## Other Financial Data

(Rupees in Lakhs)

| Particulars       | As at September 30, 2017 *(Limited reviewed) | As at and for financial year ended March 31, 2017 (Audited) | As at and for financial year ended March 31, 2016 (Audited) | As at and for financial year ended March 31, 2015 (Audited) |
|-------------------|--|---|---|---|
| Dividend (%)      |  | ---   | 20%   | 26.5%   |
| Earning Per Share | 0.72**                                       | 4.32  | 8.12  | 7.47  |

\* The Target Company has adopted the Indian Accounting Standards (IND AS) from April 01, 2017 and these financials have been prepared in accordance with the recognition and measurement principles laid down in IND AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

\*\*Not annualised

# The financials for the financial year ended March 31, 2017, March 31, 2016 and March 31, 2015, were prepared in accordance with Indian GAAP.

Source: The financial information set forth above has been extracted from Target Company's audited financial statements as on and for the financial years ended March 31, 2015, March 31, 2016, March 31, 2017 audited by the Statutory Auditor of the Target and limited reviewed financial statements by the Statutory Auditor of Target Company as on and for 6 (six) months ended September 30, 2017.

Note:

Target Company has incurred a loss for 9 (nine) months ended December 31, 2017 amounting to Rs 8,716.97 lakhs. For further details please refer to the unaudited financial results and limited review report for the 9 (nine) months ended 31, December, 2017 available on the website of BSE and NSE.

4.12.1 The details of the contingent liabilities of the Target Company are:

(Rupees in Lakhs)

| Sr. No. | Contingent Liabilities   | As at and for financial year ended March 31, 2017 (Audited) | As at and for financial year ended March 31, 2016 (Audited) | As at and for financial year ended March 31, 2015 (Audited) |
|---------|--|---|---|---|
| 1.      | Claims against the Company not acknowledged as debt<br>Income Tax Demand not provided for and relating to issues of deductions and allowances in respect of which the Target Company has filed an appeal | 67.28   | 57.50   | 69.63   |
| 2.      | Corporate Guarantee  | 2435.00   | 2435.00   | 1800  |
| 3.      | Guarantees given by banks in favour of government bodies   | 51.74   | 68.28   | 33.12   |

4.13 The Shareholding pattern of the Target Company Pre and Post –Offer is given below:

|          | Category                       | Shareholding & voting rights prior to the acquisition and Open Offer as of February 23,2018 (A) |               | Equity Shares/voting rights agreed to be acquired which has triggered the Regulations (B) |               | Equity Shares/voting rights to be acquired in Open Offer (Assuming full acceptances) (C) |              | Shareholding / voting rights after and Open Offer (Assuming full acceptances) (D)=(A) + (B)+( C) |               |
|----------|--------------------------------|---|---------------|---|---------------|--|--------------|--|---------------|
|          |                                | No.   | %             | No.   | %             | No.  | %            | No.  | %             |
| <b>A</b> | <b>Promoter's Holding</b>      |   |               |   |               |  |              |  |               |
| 1.       | Indian:                        |   |               |   |               |  |              |  |               |
|          | Individual /HUF                | 17,036,803  | 42.78         | 17,036,803  | 23.73         | -  | -            | 17,036,803   | 23.73         |
|          | Acquirer                       | -   | -             | 31,964,200  | 44.53         | 18,664,096   | 26.00        | 50,628,296   | 70.53         |
|          | <b>Sub-Total</b>               | <b>17,036,803</b>   | <b>42.78</b>  | <b>49,001,003</b>   | <b>68.26</b>  |  |              | <b>67,665,099</b>  | <b>94.26</b>  |
| 2        | Foreign Promoters              | -   | -             | -   | -             | -  | -            | -  |               |
|          | <b>Sub Total (I)</b>           | <b>17,036,803</b>   | <b>42.78</b>  | <b>49,001,003</b>   | <b>68.26</b>  | <b>-</b>   | <b>-</b>     | <b>67,665,099</b>  | <b>94.26</b>  |
| <b>B</b> | <b>Non Promoter's holding:</b> |   |               |   |               |  |              |  |               |
| 1        | Institutional Investors        | 46,909  | 0.00          | 46,909  | 0.07          | -  | -            | 4,119,885  | 5.74          |
| 2        | Non Institution:               |   |               |   |               |  |              |  |               |
|          | Private Corporate Bodies       | 6,336,253   | 9.07          | 6,336,253   | 8.83          | -  | -            |  |               |
|          | Directors and Relatives        | 1,928,551   | 4.84          | 1,928,551   | 2.69          | -  | -            |  |               |
|          | Indian Public                  | 10,823,373  | 29.91         | 10,823,373  | 15.08         | -  | -            |  |               |
|          | Others (Including NRIs)        | 3,648,895   | 13.39         | 3,648,895   | 5.08          | -  | -            |  |               |
|          | <b>Sub Total (II)</b>          | <b>22,783,981</b>   | <b>57.22</b>  | <b>22,783,981</b>   | <b>31.74</b>  | <b>-</b>   | <b>-</b>     | <b>4,119,885</b>   | <b>5.74</b>   |
|          | <b>Grand Total (I + II)</b>    | <b>39,820,784</b>   | <b>100.00</b> | <b>71,784,984</b>   | <b>100.00</b> | <b>18,664,096</b>  | <b>26.00</b> | <b>71,784,984</b>  | <b>100.00</b> |

\*The board of directors of the Target Company in their meeting held on February 14,2018 have subject to receipt of shareholders approvals and other applicable approvals, resolved to allot 3,19,64,200 equity shares on preferential basis to the Acquirer in terms of Section 62 and other applicable provisions of the Companies Act, 2013 and in terms of ICDR Regulations. The shareholders of the Target Company at their meeting held on March 12, 2018 have given their approval for the said Preferential Allotment and thereafter, the board of directors of Target Company at their meeting held on March 27, 2018 has allotted the Preferential Shares to the Acquirer.

## 5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 5.1 Justification of Offer Price

5.1.1 The Equity Shares of the Target Company are listed on the BSE and NSE.

5.1.2 The trading turnover of the Equity Shares for BSE and NSE from February 1, 2017 to January 31, 2018 (12 (twelve) calendar months preceding the calendar month in which the PA is made) are set forth below:

| Stock Exchange | No of Equity Shares Traded | Total number of listed Equity Shares | Trading Turnover (as a percentage of total listed Equity Shares) |
|----------------|----------------------------|--------------------------------------|--|
| BSE            | 65,723,943                 | 39,820,784                           | 55%  |
| NSE            | 21,978,447                 | 39,820,784                           | 165%   |

Source: [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com)

Therefore, in terms of Regulation 2(1)(j) of the SAST Regulations, the Equity Shares are frequently traded.

5.1.3 Further, the Equity Shares are frequently traded on NSE as compared to BSE in terms of trading volume during the immediately preceding 60 (sixty) trading days from the date of the PA, which is detailed below:

| Stock Exchange | No of Equity Shares Traded during immediately preceding 60 (sixty) trading days from the date of the PA |
|----------------|---|
| BSE            | 39,22,440   |
| NSE            | 202,92,084  |

5.1.4 The Offer Price of Rs. 72.76 (Rupees Seventy Two point Seven Six Only) per Equity Share is justified in terms of Regulation 8(2) of the SAST Regulations on the basis of the following:

|    |  |       |
|----|--|-------|
| a. | The highest negotiated price per share of the Target company for any acquisition under the agreement attracting the obligation to make a Public Announcement of an Offer.  | 62.57 |
| b. | The volume-weighted average price (“VWAP”) paid or payable for acquisitions, whether by the Acquirer or PAC, during the fifty-two weeks immediately preceding the date of the Public Announcement.   | NA    |
| c. | The highest price paid or payable for any acquisition, whether by the Acquirer PCA, during the 26 (twenty six) weeks immediately preceding the date of the Public Announcement.  | NA    |
| d. | The volume-weighted average market price per Equity Share for a period of 60 (sixty) trading days immediately preceding the date of the Public Announcement as traded on the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period and such shares being frequently traded. | 72.76 |
| e. | Where the shares are not frequently traded, the price determined by the Acquirer, PAC and the Manager to the Offer 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.                                       | NA    |

Source: Certificate issued by M/s. MGB & Co LLP, Chartered Accountants (FRN:101169W/W-100035) dated February 14, 2018.

5.1.5 Therefore, in terms of Regulation 8(2) of the SAST Regulations, the Offer Price of Rs. 72.76 (Rupees Seventy Two point Seven Six Only) per Equity Share is justified.

5.1.6 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SAST Regulations. 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 (three) Working Days prior to the commencement of Tendering Period of the Offer.

5.1.7 As on date there is no revision in Offer Price or Offer Size. The Offer Price may be subject to upward revision, if any, pursuant to the SAST Regulations or at the discretion of the Acquirer and/or PAC at any time prior to 3 (three) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SAST Regulations. In the event of such revision, the Acquirer and/or the PAC shall make corresponding increase to the escrow amounts in accordance with Regulation 18(5) of the SAST Regulations and the Acquirer and the PAC shall (i) make further deposits into the Escrow Account and increase the Bank Guarantee; 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.

5.1.8 In the event of acquisition of the Equity Shares by the Acquirer and/or the PAC during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SAST Regulations. However, the Acquirer and/or the PAC shall not acquire any Equity Shares after the 3<sup>rd</sup> (third) Working Day prior to the commencement of the Tendering Period of this Offer and until the expiry of the Tendering Period of this Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be done at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period of this Offer in accordance with Regulation 18(4) of the SAST Regulations. In the event of such revision, the Acquirer and the PAC shall (i) make further deposits into the Escrow Account and increase the Bank Guarantee; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue

of such announcement, inform BSE, NSE, SEBI and the Target Company at its registered office of such revision.

- 5.1.9 If the Acquirer or the PAC acquire Equity Shares of the Target Company during the period of 26 (twenty six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer and the PAC shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose shares have been accepted in the 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 SAST Regulations, 2011, or pursuant to Delisting Regulations, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

## 5.2 Financial Arrangements

- 5.2.1 The total funding requirement for this Offer is Rs. 1,35,79,99,625 (Rupees One Hundred Thirty Five Crore Seventy Nine Lakh Ninety Nine Thousand Six Hundred Twenty Five only) assuming full acceptance of this Offer i.e. the Maximum Open Offer Consideration.
- 5.2.2 The Acquirer and PAC have confirmed that they have made firm financial arrangements for fulfilling the payment obligations under this Offer in terms of Regulation 25(1) of the SAST Regulations and the Acquirer and PAC are able to implement this Offer.
- 5.2.3 M/s. MGB & Co LLP, Chartered Accountants with Firm Registration No. 101169W/W-100035 having its office at Peninsula Business Park, Tower B, 19<sup>th</sup> Floor, Lower Parel, Mumbai- 400013; Telephone Number: +91 22 6124 6124; by its certificate dated February 14, 2018, has certified that the Acquirer and the PAC have made firm financial arrangements to meet its financial obligations under the Offer.
- 5.2.4 The Acquirer has furnished an unconditional, irrevocable and on demand bank guarantee dated February 16, 2018 in favour of the Manager to the Offer from Kotak Mahindra Bank Limited acting through its branch located at 1<sup>st</sup> Floor, Bakhtawar, 229, Nariman Point, Mumbai- 400021, having Bank Guarantee No: 0962OBG18003385 for an amount of Rs. 34,00,00,000 (Rupees Thirty Four Crores Only) ("**Bank Guarantee**") which is in excess of 25% (Twenty Five percent) of the Maximum Open Offer Consideration in accordance with Regulation 17(3)(b) of the SAST Regulations. The Bank Guarantee is valid upto June 30, 2018. The Manager to the Offer has been duly authorised to realize the value of the Bank Guarantee in terms of the SAST Regulations.
- 5.2.5 In addition to the above, in accordance with Regulation 17(4) of the SAST Regulations, the Acquirer, the Manager to the Offer and Axis Bank Limited, having its registered office at Axis Bank Limited, "TRISHUL", Third Floor, opposite Samarsheshwar Temple, near Law Garden, Ellisbridge, Ahmedabad – 380 006 and acting through its branch at, Jeevan Prakash Building, Sir PM Road, Fort Mumbai - 400001 ("**Escrow Bank**") have entered into an escrow agreement on February 16, 2018, ("**Escrow Agreement**"). Pursuant to the Escrow Agreement, the Acquirer has established an escrow account under the name and title of "MT EDUCARE OPEN OFFER ESCROW ACCOUNT" bearing account number 918020014615117 ("**Escrow Account**") with the Escrow Bank and has made a cash deposit of Rs. 1,36,00,000 (Rupees One Crore Thirty Six Lakh only) in the Escrow Account in accordance with the Regulation 17(3)(a) read with Regulation 17(4) of the SAST Regulations, which is in excess of 1% (One percent) of the Maximum Open Offer Consideration. The cash deposit has been confirmed vide a confirmation letter dated February 16, 2018 issued by Axis Bank Limited.
- 5.2.6 A lien has been marked on the said Escrow Account in favour of the Manager to the Offer by the Escrow Bank. The Manager to the Offer has been solely authorised by the Acquirer to operate and realise the monies lying to the credit of the Escrow Account in terms of the SAST Regulations.
- 5.2.7 Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and PAC to fulfil their obligations in relation to this Open Offer through verifiable means in accordance with the SAST Regulations.
- 5.2.8 In case of any upward revision in the Offer Price or the Offer Size, the cash in the Escrow Account and Bank Guarantee shall be increased by the Acquirer and/or PAC in terms of Regulation 17(2) of the SAST Regulations, prior to effecting such revision.

## 6. TERMS AND CONDITIONS OF THE OFFER

### 6.1 Operational Terms and Conditions

- 6.1.1 In terms of the schedule of activities, the Tendering Period for the Offer shall commence on May 03, 2018 and close on May 16, 2018 both days inclusive.
- 6.1.2 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. The Acquirer shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 6.1.3 This is not a conditional Offer in terms of Regulation 20 of the SAST Regulations and there is no stipulation on any minimum level of acceptance in terms of Regulation 19(1) of the SAST Regulations.
- 6.1.4 The Identified Date for this Offer as per the schedule of activities is April 17, 2018.
- 6.1.5 The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one).
- 6.1.6 In terms of Regulation 18(9) of the SAST Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 6.1.7 Accidental omission to dispatch the Letter of Offer to any Public Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Public Shareholder shall not invalidate this Offer in any way.

### 6.2 Eligibility for accepting the offer

- 6.2.1 The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.
- 6.2.2 All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible (subject to paragraph 6.3 of section 6 (*Statutory and other approvals*) below) to participate in this Offer.
- 6.2.3 The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer, the Letter of Offer and the Form of Acceptance for physical shareholders will also be available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance from SEBI's website.
- 6.2.4 The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever. The Acquirer and the PAC will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Public Shareholders are advised to adequately safeguard their interests in this regard.
- 6.2.5 The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
- 6.2.6 By accepting this offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer for the purpose of this Offer.
- 6.2.7 None of the Acquirer and the PAC, the Manager or the Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer Acceptance Forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

- 6.2.8 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 6.2.9 The Acquirer reserves the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 3 (three) Working Days prior to the commencement of the Tendering Period, i.e., up to April 25, 2018, in accordance with the SAST Regulations 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 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 Letter of Offer.
- 6.2.10 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.
- 6.2.11 Locked in Equity Shares: To the best of the knowledge of the Acquirer and the PAC, the Target Company has no Equity Shares that are currently locked-in. The locked-in Equity Shares, if any acquired pursuant to the agreement or offer can be transferred to the Acquirer, subject to the continuation of the residual lock-in period in the hands of the Acquirer. The Manager to the Offer ensures that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.

### 6.3 Statutory and other approvals

- 6.3.1 As on the date, to the best knowledge of the Acquirer and the PAC, there are no statutory approvals required by the Acquirer and/or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer and/or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and/or the PAC shall make the necessary applications for such approvals.
- 6.3.2 In case of delay in receipt of any statutory approvals which may be required by the Acquirer and/ or the PAC at a later date, as per Regulation 18(11) of the SAST Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the public shareholders of the Target Company for delay beyond 10 (Ten) Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirer and PAC have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.
- 6.3.3 If the holders of the Equity Shares who are not persons resident in India (including non-resident Indian (“NRI”), overseas corporate body (“OCB”) and foreign institutional investors (“FIIs”)) had required any approvals (including from the Reserve Bank of India (“RBI”), the Foreign Investment Promotion Board (“FIPB”) or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer.
- 6.3.4 The Acquirer and the PAC will have the right to withdraw this Offer in accordance with Regulation 23 of the SAST Regulations, in the event the statutory approvals (if required as indicated above) are refused for any reason outside the reasonable control of the Acquirer and/or PAC. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to BSE, NSE, SEBI and the Target Company at its registered office.

## 7. **PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER**

- 7.1 The Open Offer will be implemented by the Acquirer and the PAC through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window (“**Acquisition Window**”) as provided under the SAST Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.

- 7.2 BSE shall be the Designated Stock Exchange for the purpose of tendering Shares in the Open Offer.
- 7.3 The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on the Stock Exchange in the form of a separate window.
- 7.4 The Acquirer have appointed Axis Capital Limited (“**Buying Broker**”) for the Offer through whom the purchases and settlement of the Offer shall be made during the tendering period.

The Contact details of the Buying Broker are as mentioned below:

**Name:** Axis Capital Limited;

**Address:** 5<sup>th</sup> Floor, Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai 400 025;

**Contact Person:** Amish Patani;

**Telephone:** + 91 22 4325 5584 ;

**Email ID:** Amish.Patani@axiscap.in

**SEBI Registration No: BSE:** INB011387330; **NSE:** INB231387235

- 7.5 All Public Shareholders who desire to tender their Shares under the Offer would have to approach their respective stock brokers (“**Selling Broker(s)**”), during the normal trading hours of the secondary market during the Tendering Period.
- 7.6 Separate Acquisition Window will be provided by the Stock Exchanges to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Shares as well as physical Shares.
- 7.7 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.
- 7.8 Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 7.9 Public Shareholders can tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC Compliant).
- 7.10 In the event Seller Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker then that Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“**UCC**”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case a Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Shareholder may approach Acquirer’s Broker viz. Axis Capital Limited, to bid by using quick UCC facility. The Public Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

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

**If Shareholder is registered with KYC Registration Agency (“**KRA**”): Forms required:**

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

**If Shareholder is not registered with KRA: Forms required:**

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
  - PAN card copy
  - Address proof
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

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



### **In case of Shareholder being a HUF**

If Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Shareholder is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
  - PAN card copy of HUF & KARTA
  - Address proof of HUF & KARTA
  - HUF declaration
  - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

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

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

If Shareholder is KRA registered: Form required

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

If Shareholder is not KRA registered: Forms required:

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

Additionally, registered Public Shareholders holding Equity Shares in physical form must also provide the documents mentioned in paragraph 7.12 of section 7 (*Procedure for tendering the Equity Shares held in physical form*).

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

#### 7.11 Procedure for tendering Equity Shares held in Dematerialised Form:

- 7.11.1 Public Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Offer.

- 7.11.2 The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Offer using the Acquisition Window of the BSE. Before placing the order/bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by the BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- 7.11.3 Upon placing the order, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 7.11.4 Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 7.11.5 For custodian participant, orders for demat equity shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than time provided by the Stock Exchange on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 7.11.6 The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.
- 7.11.7 The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated Offer.
- 7.11.8 The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
- 7.12 Procedure for tendering the Equity Shares held in physical form:
- 7.12.1 The Public Shareholders holding physical shares and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:
- 7.12.1.1 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;
- 7.12.1.2 Original share certificate(s);
- 7.12.1.3 Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;
- 7.12.1.4 Self-attested PAN Card copy (in case of joint holders, PAN card copy of all transferors);
- 7.12.1.5 Any other relevant document such as powers of attorney and/or corporate authorizations (including board resolution(s)/specimen signature(s)); and
- 7.12.1.6 Self-attested copy of proof of address such as valid Aadhar card, voter ID, passport or driving license.
- 7.12.2 The Selling Broker(s) should place bids on the exchange platform including the relevant details as specified on the physical share certificate(s). The Selling Broker (s) shall print the TRS generated by the exchange bidding system. The TRS will contain the details of order submitted such as Folio No., Certificate No., Dist. Nos. and number of Equity Shares.
- 7.12.3 The Selling Broker(s)/Public Shareholder must deliver the share certificates relating to its Equity Shares and other documentation listed in paragraph (a) above along with the TRS to the Registrar to the Offer i.e. Link Intime India Private Limited at the address mentioned on the cover page. The envelope should be superscribed “**MT Educare Limited Open Offer**”. Share certificates for physical shares must reach the Registrar within 2 (two) days of bidding by the Selling Broker.
- 7.12.4 The Public Shareholders holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified in paragraph 7.12.1 above are submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar. On

receipt of the confirmation from the Registrar, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform.

7.12.5 In case any person has submitted physical shares for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in this Offer by or before the closure of the Tendering Period. The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Public Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptances along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance. Form of Acceptance will not be sent to the Public Shareholders holding Equity Shares in Demat mode.

#### 7.13 Acceptance of Shares

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

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

#### 7.14 Procedure for tendering the shares in case of non-receipt of Letter of Offer:

7.14.1 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 the Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

7.14.2 A Public Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.

7.14.3 The Letter of Offer along with Form of Acceptance will be dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website ([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

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

7.14.5 Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents as mentioned in paragraphs 7.10 and 7.11 or 7.12 above along with Form SH-4 (in case of Equity Shares being held in physical form). Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Offer.

#### 7.15 Settlement Process

7.15.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.

7.15.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of Clearing Corporation.

- 7.15.3 For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders. If shareholders' 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.
- 7.15.4 In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Offer.
- 7.15.5 The Public Shareholders will have to ensure that they keep the depository participant ("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.
- 7.15.6 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Public Shareholders directly by the Registrar. 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 Public Shareholders holding Equity Shares in the physical form.
- 7.15.7 If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.
- 7.15.8 Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 7.15.9 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirer.
- 7.15.10 Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Offer.
- 7.16 Settlement of Funds / Payment Consideration
- 7.16.1 The settlements of fund obligation for demat and physical shares shall be effected through existing settlement accounts of Seller Broker(s).
- 7.16.2 The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule. For Equity Shares accepted under the Offer, Clearing Corporation will make direct funds payout to respective Public Shareholders. If shareholders' 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.
- 7.16.3 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.
- 7.16.4 The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.

- 7.16.5 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.
- 7.16.6 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 SAST Regulations.

7.17 Note on Taxation

THE SUMMARY OF THE INCOME-TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER, AND THE PROPOSED PROVISIONS OF THE FINANCE BILL, 2018 (SUBJECT TO ENACTMENT). THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

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

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

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

7.17.1 General:

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 Income-tax Act, 1961 (“**IT 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) and income 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. As per judicial precedents, generally the “situs” of the shares is where a company is “incorporated” and where its shares can be transferred.

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 IT Act.

Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement (“**DTAA**”) between India and the respective country of which the said shareholder is tax resident

subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule (“GAAR”) and providing and maintaining necessary information and documents as prescribed under the IT Act.

The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.

The summary of income-tax implications on tendering of listed equity shares on the Recognised Stock Exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

7.17.2 Classification of Shareholders: Shareholders can be classified under the following categories:

Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

Non-Resident Shareholders being:

- Non-Resident Indians (NRIs)
- Foreign Portfolio Investors (FPIs)
- Others:
  - Company
  - Other than company

7.17.3 Classification of Income: Shares can be classified under the following two categories:

- Shares held as investment (Income from transfer taxable under the heading “**Capital Gains**”)
- Shares held as stock-in-trade (Income from transfer taxable under the heading “**Profits and Gains from Business or Profession**”)

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 trading asset (i.e. stock-in-trade).

7.17.4 Shares held as investment: As per the provisions of the IT Act, where the shares are held as investments (i.e. capital asset), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains in the hands of shareholders would be computed as per provisions of Section 48 of the IT Act.

7.17.5 Period of holding: Depending on the period for which the shares are held, the gains would be taxable as “short-term capital gain” or “long-term capital gain”:

In respect of equity shares held for a period less than or equal to 12 (Twelve) months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“**STCG**”).

Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “long-term capital gains” (“**LTCG**”).

7.17.6 Tendering of Shares in Open Offer through a Recognized Stock Exchange in India:

Where a transaction for transfer of such equity shares (i.e. acceptance under the Open offer) is transacted through a Recognized Stock Exchange and is chargeable to Securities Transaction Tax (“**STT**”), then the taxability will be as under (for all categories of shareholders):

- As per the current provisions of the IT Act, LTCG arising from such transaction would typically be exempt from tax under Section 10(38) of the IT Act. However, in certain specified cases, the said exemption is available only if purchase of such shares is chargeable to STT. In case LTCG arising from tendering of equity shares in the Offer does not fall under the tax exemption under Section 10(38), such LTCG shall be subject to tax under Section 112 of the IT Act @20% with indexation benefit or @10% without indexation benefit.

As per the provisions proposed in the Finance Bill, 2018 subject to enactment (“**Finance Bill**”), read with the FAQs regarding taxation of long term capital gains proposed in the Finance Bill: Clause 31 of the Finance Bill provides insertion of Section 112A according to which the long-term capital gains arising from transfer of such long-term capital asset, on or after April 1, 2018, exceeding one lakh rupees will be taxed at a concessional rate of 10 (Ten) percent.

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 as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

Further, if the full value of consideration on transfer is less than the fair market value, then such full value of consideration or the actual cost, whichever is higher, will be deemed to be the cost of acquisition.

The benefit of inflation indexation of the cost of acquisition would not be available for computing long-term capital gains under the new tax regime. The transfer made between February 01, 2018 and March 31, 2018 will be eligible for exemption under clause (38) of Section 10 of the Act.

The long-term capital gains in case of FIIs will be determined in the same manner as in the case of resident tax payers.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is to be considered while computing the income-tax on such LTCG taxable under the proposed section 112A of the Finance Bill.

- As per the current provisions of the IT Act, STCG arising from such transaction would be subject to tax @ 15% under Section 111A of the IT Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the income-tax on such STCG taxable under Section 111A of the IT Act.

As per the current provisions of the IT Act, in addition to the above STCG and LTCG tax, surcharge, education cess and secondary and higher education cess are leviable.

As per the provisions of the Finance Bill, in addition to the above STCG and LTCG tax, surcharge and health and education cess are leviable.

7.17.7 Shares held as stock-in trade: If the shares are held as stock-in-trade by any of the shareholders of the Target Company, then the gains would be characterized as business income and taxable under the heading “Profits and Gains from Business or Profession”.

7.17.8 Resident Shareholders:

For individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates. For persons other than stated above, profits would be taxable @ 30%.

7.17.9 Non Resident Shareholders:

Non-resident shareholders can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

7.17.10 Where DTAA provisions are not applicable:

For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.

For foreign companies, profits would be taxed in India @ 40%.

For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

As per the current provisions of the IT Act, in addition to the above, surcharge, education cess and secondary and higher education cess are leviable.

As per the provisions in the Finance Bill, in addition to the above STCG and LTCG tax, surcharge and health and education cess are leviable.

7.17.11 Tax Deduction at Source:

Resident Shareholders: In absence of any specific provision under the IT Act, the Acquirer and the PAC are not required to deduct tax on the consideration payable to the shareholders pursuant to Tendering of the Shares under the Offer.

Non-Resident Shareholders:

In Case of FPI:

Section 196D of the IT Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FPIs. Thus, no withholding of tax is required in case of consideration payable to FPIs.

In Case of non-resident tax payer (other than a Foreign Institutional Investor):

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act. In doing this, the Acquirer and the PAC will be guided by generally followed practices and make use of data available in Registrars records except in cases where the non-resident shareholders provide a specific mandate in this regard.

As per the Frequently Asked Questions (FAQs) regarding taxation of long-term capital gains proposed in Finance Bill, ordinarily, under Section 195 of the IT Act, tax is required to be deducted on payments made to non-residents, at the rates prescribed in Part-II of the First Schedule to the Finance Act. In terms of the said provisions, tax at the rate of 10% (Ten percent) will be deducted from payment of long-term capital gains to a non-resident tax payer (other than a Foreign Institutional Investor). The capital gains will be required to be computed in accordance with Clause 31 of the Finance Bill.

Since the tendering of shares under the Offer is through the Recognised Stock Exchanges in India, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians, authorized dealers and/or tax advisors, as appropriate.

7.17.12 Rate of Surcharge and Cess: As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge, education cess and secondary and higher education cess are leviable. As per the provisions in the Finance Bill, in addition to the basic tax rate, surcharge, health and education cess are leviable.

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 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, SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.



## **THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.**

### **8. DOCUMENTS FOR INSPECTION**

- 8.1 Copies of the following documents will be available for inspection by the Public Shareholders at the office of the Manager to the Offer at Axis House, 1st Floor, C-2, Wadia International Center, P. B. Marg, Worli, Mumbai 400 025, between 10:30 a.m. and 3:00 p.m. on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period (May 03, 2018) until the date of closure of the Tendering Period (May 16, 2018).
- 8.1.1 Certified copies of the Memorandum and Articles of Association and certificate of incorporation of Acquirer and the PAC;
  - 8.1.2 Certificate dated February 14, 2018 from M/s. MGB & Co LLP, Chartered Accountants, (FRN: 101169W/W-100035) certified that the Acquirer and the PAC have made firm financial arrangements to meet its financial obligations under the Offer.
  - 8.1.3 Certified copies of the annual reports and financial statements of Acquirer and the PAC for the 3 (three) financial years ending on March 31, 2015, March 31, 2016 and March 31, 2017 and limited review half yearly financial results for the 6 (six) month period ended September 30, 2017 for the Acquirer and the PAC.
  - 8.1.4 Certified copies of the annual reports and financial statements of the Target Company for the 3 (three) financial years ending on March 31, 2015, March 31, 2016 and March 31, 2017 and limited review half yearly financial results for the 6 (six) month period ended September 30, 2017 for the Target Company.
  - 8.1.5 Letter dated February 16, 2018 from the Escrow Agent confirming the receipt of the cash deposit in the Open Offer Escrow Account;
  - 8.1.6 Certified true copy of the SSA;
  - 8.1.7 Certified true copy of the SHA;
  - 8.1.8 Certified true copy of the Supplemental Agreement;
  - 8.1.9 Copy of the Public Announcement submitted to the Stock Exchanges on February 14, 2018 and SEBI on February 14, 2018;
  - 8.1.10 Copy of the Detailed Public Statement published by the Manager to the Offer on behalf of the Acquirer and the PAC on February 22, 2018;
  - 8.1.11 Copy of the Offer Opening Public Announcement to be published by the Manager to the Offer on behalf of the Acquirer and the PAC on May 01, 2018 ;
  - 8.1.12 Published copy of the recommendation to be made by the committee of the independent directors of the Target Company in relation to the Offer;
  - 8.1.13 SEBI observation letter no. CFD/DCR/OW/2018/11735 dated April 16, 2018 on the Draft Letter of Offer;
  - 8.1.14 The Escrow Agreement between the Acquirer, the PAC, the Manager and the Escrow Agent.

### **9. DECLARATIONS BY THE ACQUIRER AND THE PAC**

- 9.1 The Acquirer and the PAC and their respective board of directors accept full responsibility for the information contained in the Letter of Offer (other than such information as has been obtained from public sources).
- 9.2 The Acquirer and the PAC also accept full responsibility for their obligations under the Offer and shall be severally and jointly liable for ensuring compliance with the SAST Regulations.
- 9.3 The persons signing this Letter of Offer are duly and legally authorized by the Acquirer or the PAC, as applicable, to sign the Letter of Offer.

**On behalf of**

**Sd/-  
Zee Learn Limited**

**Sd/-  
Sprit Infrapower and Multiventures Private Limited**

**Place: Mumbai**

**Date: April 20, 2018**

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

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT  
MT EDUCARE LIMITED**

*(All non-resident Public Shareholders (holding physical and/or demat shares) and resident Public Shareholders holding physical shares are mandatorily required to fill this form of acceptance-cum-acknowledgement (“Form”). The non-resident Public Shareholders holding demat shares are required to send this form with enclosures to their respective broker/Seller Member. The Public Shareholders holding physical shares (resident and non-resident) are required to send this Form along with the enclosures to their respective broker/Seller Member.)*

*(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the Letter of Offer)*

*(Only Public Shareholders holding Equity Shares in a physical form to send this Form with TRS generated by broker/Seller Member and enclosures to the Registrar to the Offer – Link Intime India Private Limited, at their registered office address provided in the Letter of Offer)*

To,  
The Acquirer and the PAC  
C/o Link Intime India Private Limited  
C-101, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (west), Mumbai – 400 083  
Tel: + 91 22 49186200

| <b>TENDERING PERIOD FOR THIS OFFER</b> |              |
|--|--------------|
| OFFER OPENS ON                         | May 03, 2018 |
| OFFER CLOSES ON                        | May 16, 2018 |

Dear Sir,

**Sub: Open Offer (“Offer” / “Open Offer”) for acquisition of upto 1,86,64,096 (One Crore Eighty Six Lakh Sixty Four Thousand and Ninety Six) fully paid up equity shares having a face value Rs. 10 (Rupees Ten) each (each an “Equity Share”) of MT Educare Limited (“Target Company”) representing 26.00%(Twenty Six percent) of the Emerging Share Capital from the Public Shareholders of the Target Company, by Zee Learn Limited (“Acquirer”) along with Sprit Infrapower and Multiventures Private Limited (“PAC”) in its capacity as a person acting in concert with the Acquirer.**

I / We refer to the Letter of Offer dated April 20, 2018 for acquiring the Equity Shares held by me / us in MT Educare Limited.

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

| <b>Name (in BLOCK LETTERS)</b>  | <b>Holder</b>  | <b>Name of the Shareholder (s)</b> | <b>Permanent account Number</b> |
|---|--|------------------------------------|---------------------------------|
| (Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s) / demat account) | Sole/ First  |                                    |                                 |
|   | Second   |                                    |                                 |
|   | Third  |                                    |                                 |
| <b>Contact Number(s) of the First Holder</b>  | <b>Tel No. (with STD Code); Fax No. (with STD Code):</b> |                                    | <b>Mobile Number</b>            |
| Full Address of the First Holder (with pin code)  |  |                                    |                                 |
| Email address of First Holder   |  |                                    |                                 |
| Date and Place of incorporation (if applicable)   |  |                                    |                                 |

I / We, the undersigned, have read the Public Announcement, the Detailed Public Statement, and the Corrigendum to the DPS, if any and this Letter of Offer and understood its contents, terms and conditions, and unconditionally accept it.

**FOR EQUITY SHARES HELD IN PHYSICAL MODE**

I/We, confirm that our residential status under the Income Tax Act, 1961 is ( whichever is applicable)

- Resident  
 Non-resident

I / We, holding Physical Shares, accept this Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Equity Shares as detailed below:

| S. No.   | Regd Folio No. | Share Certificate no. | Distinctive Numbers |              | Number of Equity Shares |
|--|----------------|-----------------------|---------------------|--------------|-------------------------|
|  |                |                       | From                | To           |                         |
| 1.   |                |                       |                     |              |                         |
| 2.   |                |                       |                     |              |                         |
| 3.   |                |                       |                     |              |                         |
| <i>(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)</i> |                |                       |                     | <b>Total</b> |                         |

**FOR ALL PUBLIC SHAREHOLDERS (HOLDING BOTH DEMAT SHARES AND PHYSICAL SHARES)**

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Equity Shares in this Offer and that I/we am/are legally entitled to tender the Equity Shares in this Offer.

I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I / We confirm that I / We are not persons acting in concert with the Acquirer or the PAC.

I / We also note and understand that the obligation on the Acquirer and the PAC to pay the purchase consideration (i.e. the Offer Price) arises only after verification of the certification, documents and signatures submitted along with this Form.

I / We undertake to return to the Acquirer and the PAC any purchase consideration wrongfully received by me / us.

I / We give my/our consent to the Acquirer and the PAC to file any statutory documents on my/our behalf in relation to accepting the Equity Shares in this Offer.

I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer and the PAC to effectuate this Offer in accordance with the SAST Regulations.

I / We are / am not debarred from dealing in Equity Shares.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961 including but not limited to Section 281 of the Income Tax Act, 1961.

I / We note and understand that the Equity Shares/ original share certificate(s) and the transfer deed(s) will be held by the Registrar to the Offer/ Clearing Corporation in trust for me / us till the date the Acquirer and the PAC make payment of consideration as mentioned in the Letter of

Offer or the date by which original share certificate(s), transfer deed(s) and other documents are dispatched to the Public Shareholders, as the case may be.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us , or as a result of income tax ( including any consequent interest and penalty) on the capital gains arising from tendering of the Equity Shares, I / we will indemnify the Acquirer and PAC for such income tax demand (including interest, penalty, etc.) and provide the Acquirer and the PAC with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I / We note and understand that the Equity Shares would lie with the Clearing Corporation until the time the Acquirer and the PAC make payment of purchase consideration as mentioned in the

Letter of Offer. I / We authorise the Acquirer and the PAC to accept the Equity Shares so offered or such lesser number of Equity Shares which the Acquirer and the PAC may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the Letter of Offer. I / we further authorize the Acquirer and the PAC to return to me / us, share certificate(s) in respect of which this Offer is not found valid / not accepted without specifying the reasons thereof.

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

I/We, confirm that my/ our residential status is ( whichever is applicable)

|  |   |   |  |   |
|--|---|---|--|---|
| <input type="checkbox"/> Individual              | <input type="checkbox"/> Foreign Company          | <input type="checkbox"/> FII/FPI – Corporate          | <input type="checkbox"/> FII/FPI – Others      | <input type="checkbox"/> FVCI                             |
| <input type="checkbox"/> Foreign Trust           | <input type="checkbox"/> Private Equity Fund      | <input type="checkbox"/> Pension/ Provident Fund      | <input type="checkbox"/> Sovereign Wealth Fund | <input type="checkbox"/> Partnership/ Proprietorship firm |
| <input type="checkbox"/> Financial Institution   | <input type="checkbox"/> NRIs/ PIOs – repatriable | <input type="checkbox"/> NRIs/ PIOs – non repatriable | <input type="checkbox"/> OCB                   | <input type="checkbox"/> QFI                              |
| <input type="checkbox"/> Others – please specify |   |   |  |   |

I/We, confirm that my/ our investment status is ( whichever is applicable)

- FDI Route
- PIS Route
- Any other – please specify \_\_\_\_\_

I/We, confirm that the Equity Shares tendered by me/ us are held on ( whichever is applicable)

- Repatriable basis
- Non - repatriable basis

I/We, confirm that ( whichever is applicable)

- No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the RBI
- Copies of all approvals required by me for holding Equity Shares that have been tendered in this Offer are enclosed herewith
- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

I/We, confirm that ( whichever is applicable)

- No RBI, FIPB or other regulatory approval is required by me for tendering the Equity Shares in this Offer
- Copies of all approvals required by me for tendering Equity Shares in this Offer are enclosed herewith.

**BANK DETAILS**

So as to avoid fraudulent encashment in transit, the Public Shareholder(s) holding Physical Shares should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

|  |  |
|--|--|
| Name of the Bank                         |  |
| Branch                                   |  |
| Account Number                           |  |
| IFSC Code                                |  |
| MICR Code                                |  |
| Savings/ Current (Others please specify) |  |

In case of Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

In case of interest payments, if any, by the Acquirer and the PAC for delay in payment of Offer consideration or a part thereof, the Acquirer and the PAC will deduct taxes at source at the applicable rates as per the Income Tax Act, 1961. For details please refer to instruction no. 19 given overleaf.

Yours faithfully,

| Signed and Delivered | Full name | PAN | Signature |
|----------------------|-----------|-----|-----------|
| Sole/ First Holder   |           |     |           |
| Joint Holder 1       |           |     |           |
| Joint Holder 2       |           |     |           |
| Joint Holder 3       |           |     |           |

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

Place: \_\_\_\_\_

Date: \_\_\_\_\_

## **INSTRUCTIONS**

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

1. This Form should be filled in English.
2. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
3. In case of Equity Shares held in joint names, names should be filled in the same order in this Form and in the share transfer deed(s), as the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
4. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
5. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
6. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
7. The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Member and submit the following set of documents for verification procedure as mentioned below:
  - a) Original share certificate(s)
  - b) Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
  - c) Self-attested copy of the Public Shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors)
  - d) This Form – for Public Shareholders holding Equity Shares in physical mode 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;
  - e) A self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license
  - f) Any other relevant document including (but not limited to) such as power of attorney, corporate authorization (including board resolution(s)/ specimen signature(s)), notarised copy/(ies) of death certificate(s) and succession certificate(s) or probated will(s), if the original shareholder is deceased, etc., as applicable. Public Shareholders holding Physical Shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.
8. In case of unregistered owners of Equity Shares in physical mode, the Public Shareholder should provide: an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.
9. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.
10. In case the share certificate(s) and the transfer deed(s) are lodged with the Target/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement with, or receipt by, the Target/its transfer agents, of the share certificate(s) and the transfer deed(s).

11. The Public Shareholder should ensure that the certificate(s) and above documents reach the Registrar within 2 (two) days of the close of Tendering Period.
12. No indemnity regarding title is required from persons not registered as Public Shareholders.
13. The Seller Member(s) should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Seller Member(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc.
14. The Seller Member shall deliver the Equity Shares and requested documentation along with the TRS to the Registrar do as to reach them within 2 days of bidding by the Seller Member. On receipt of the confirmation from RTA the bid will be accepted or else rejected (as applicable) and accordingly the same will be depicted on the exchange platform.
15. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
16. Procedure for tendering the Equity Shares in case of non-receipt of Letter of Offer:

Public Shareholders 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, the DPS and this Letter of Offer. They can participate by submitting an application on plain paper giving details regarding their shareholding and relevant documents mentioned in paragraph 7 above. Public Shareholders must ensure that the Acceptance Form, along with the TRS and requisite documents (as mentioned in paragraph 7 above) should reach the Registrar of the Company within 2 days of the close of Tendering Period. If the signature(s) of the of the Public Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Target or are not in the same order (although attested), such applications are liable to be rejected under this Offer.

Alternatively, such holders of Equity Shares may also apply on the form of acceptance- cum-acknowledgement in relation to this Offer, which may be obtained from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or from Registrar to the Offer.

17. The Acceptance of Shares, Settlement Process, Settlement of Funds / Payment Consideration and the Note on Taxation have been mentioned in the Letter of Offer under paragraph 7.17 of section 17 (*Note on Taxation*).

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

The Letter of Offer along with Form of Acceptance will be dispatched to all the Public Shareholders holding Physical Shares as on the Identified Date. In case of non-receipt of the Letter of Offer, such shareholders holding physical shares of the Target Company may download the same from the SEBI website ([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.

18. In order to avail Electronic Clearing Service ("ECS") for receipt of consideration, the attached ECS mandate form needs to be duly filled in and signed by the sole/first shareholder and submitted with this Form before the closure of the Offer.
19. Interest payment, if any: In case of interest payments by the Acquirer and the PAC for delay in payment of Offer consideration or a part thereof, the Acquirer and the PAC will deduct taxes at source at the applicable rates as per the Income Tax Act, 1961.
20. If the resident and non-resident Public Shareholders require that no tax is to be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the following documents are required to be submitted to the Registrar to the Offer.  
For resident Public Shareholders:
  - Self-attested copy of PAN card
  - Certificate from the income tax authorities under Section 197 of the Income Tax Act, 1961, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (certificate for deduction of tax at lower rate)
  - Self-declaration in Form 15G / Form 15H (in duplicate), if applicable
  - For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any)

For non-resident Public Shareholders:

- Self-attested copy of PAN card
- Certificate under Section 195(3) or Section 197 of the Income Tax Act, 1961, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities under the Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirer and the PAC before remitting the amount of interest)

Tax Residency Certificate and a no 'permanent establishment' / business connection

Declaration In an event of non-submission of NOC or certificate for deduction of tax at nil/lower rate, tax will be deducted at the maximum marginal rate as may be applicable to the relevant category, to which the Public Shareholder belongs, by the Acquirer and the PAC.

**FOR DETAILED PROCEDURE IN RESPECT OF TENDERING EQUITY SHARES IN THIS OFFER, PLEASE REFER TO THE LETTER OF OFFER**