

PRE-OFFER ADVERTISEMENT IN ACCORDANCE WITH REGULATION 18(7) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED. FOR THE ATTENTION OF THE ELIGIBLE PUBLIC SHAREHOLDERS OF

LKP FINANCE LIMITED

Registered office: 203 Embassy Centre, Nauman Point, Mumbai Mahatashiba - 400 021 Tel : +91 22 4002 4785 : 4786.
Fax : +91 22 2287 4787, Email Id: lkp@investorrelations.lkpsec.com Website: www.lkpsec.com
CIN: L65990MH1984PLC032831

OPEN OFFER FOR ACQUISITION OF UPTO 32,67,842 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") REPRESENTING 26.00% (TWENTY SIX PERCENT) OF THE FULLY DILUTED VOTING SHARE CAPITAL ("VOTING SHARE CAPITAL") FROM THE ELIGIBLE PUBLIC SHAREHOLDERS OF LKP FINANCE LIMITED ("TARGET COMPANY") BY DAKSHIN MERCANTILE PRIVATE LIMITED ("ACQUIRER") ("OPEN OFFER" OR "OFFER"). NO PERSON IS ACTING IN CONCERT WITH THE ACQUIRER FOR THE PURPOSES OF THIS OPEN OFFER.

This advertisement ("Pre-Offer Advertisement") is being issued by ICICI Securities Limited (hereinafter referred to as "Manager to the Offer") for and on behalf of the Acquirer pursuant to and in compliance with Regulation 18(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI (SAST) Regulations") in respect of the Open Offer.

This Pre-Offer Advertisement should be read in continuation of, and in conjunction with: (i) the Public Announcement dated May 14, 2018 ("PA"); (ii) the Detailed Public Statement dated May 20, 2018 published on May 21, 2018 in Financial Express (English daily) all editions, Jansatta (Hindi daily) all editions and Navshakti (Marathi daily) Mumbai edition ("DPS"); (iii) the draft letter of offer dated May 28, 2018 ("DLOF"); (iv) the letter of offer dated September 4, 2018 ("LOF"); and (v) the addendum cum corrigendum to the LOF dated September 6, 2018 ("Corrigendum"). This Pre-Offer Advertisement is being published in all newspapers in which the DPS was published. Capitalized terms used but not defined in this Pre-Offer Advertisement shall have the same meanings assigned to such terms in the DPS and LOF.

The Eligible Public Shareholders of the Target Company are requested to kindly note the following information related to the Open Offer:

- Offer Price:** The Offer Price is ₹ 198 (Rupees one hundred and ninety-eight only) per Equity Share. There has been no upward revision in the Offer Price.
- Recommendation of the Committee of Independent Directors ("IDC"):** The recommendations of the IDC were published on September 1, 2018 in the same newspapers in which the DPS was published i.e. all editions of Financial Express (English daily), all editions of Jansatta (Hindi daily) and Mumbai edition of Navshakti (Marathi daily). A summary of the relevant extracts of the IDC's recommendations are set out below:

Members of the IDC	i. Mr. Vineet Suchant, Chairman ii. Mrs. Anjali Suresh, Member
Recommendation on the Open Offer, as to whether the Open Offer, is or is not, fair and reasonable	The IDC members believe that the Open Offer is fair and reasonable.
Summary of reasons for recommendation	IDC has reviewed the: i. PA; ii. DPS; and iii. DLOF. Based on the review of the PA, DPS and the DLOF the IDC is of the view that the Offer Price of ₹ 198/- per Equity Share offered by the Acquirer is in line with the regulation prescribed by SEBI under the SEBI (SAST) Regulations. The IDC is of the view that the price of the Open Offer is fair and reasonable. However, the shareholders have been advised to independently evaluate the Open Offer and take informed decision in the matter.

- The Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer to the Open Offer.
- The LOF was dispatched to all Eligible Public Shareholders of the Target Company on September 11, 2018.
- Eligible Public Shareholders are required to refer para 9 "Procedure for Acceptance and Settlement of this Offer" on page 34 of the LOF in relation to *inter alia* the procedure for tendering their Equity Shares in the Open Offer and are also required to adhere to and follow the procedure outlined therein. Please note that a copy of the LOF (including Form of Acceptance-cum-Acknowledgment) is also available on SEBI's website (www.sebi.gov.in) during the Tendering Period and Eligible Public Shareholders can also apply by downloading such forms from SEBI's website. Further, in case of non-receipt/non-availability of the Form of Acceptance-cum-Acknowledgment, the application can be made on plain paper along with the following details:
i. **In case of Equity Shares held in physical form:** Eligible Public Shareholders holding shares in physical form may participate in the Open Offer by providing name, address, number of shares held, client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents as mentioned in para 9.15 of LOF along with Form SH 4. Such Eligible Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE Limited before the closure of the Open Offer.
ii. **In case of Equity Shares held in dematerialised form:** Eligible Public Shareholders holding demat shares may participate in the Offer by approaching their broker indicating the details of Equity Shares they intend to tender in Open Offer as mentioned in para 9.14 of the LOF. Such Eligible Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE Limited before the closure of the Open Offer. The Eligible Public Shareholders holding demat shares are not required to fill the Form of Acceptance-cum-Acknowledgment.
- In terms of Regulation 16(1) of the SEBI (SAST) Regulations, the DLOF was filed with SEBI on May 28, 2018. The final observations from SEBI were received in terms of Regulation 16(4) of the SEBI (SAST) Regulations vide letter dated August 31, 2018, which have been incorporated in the LOF.
- All material changes since the date of the PA in relation to this Open Offer have been incorporated in the LOF read with the Corrigendum.
- Details regarding the status of the statutory and other approvals:** To the best of the knowledge of the Acquirer, except for the approval from the Reserve Bank of India received by the Target Company vide letter dated August 23, 2018 *inter alia* for change in control and management of the Target Company pursuant to the Open Offer and purchase of Equity Shares pursuant to the SPA, there are no statutory approval(s) required by the Acquirer to complete this Open Offer. However, in case of any statutory approval(s) being required at a later date, this Open Offer will be subject to such approval(s) and the necessary applications for such approvals will be made. The Acquirer will have the right not to proceed with the Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations by withdrawing the Open Offer in the manner prescribed in the event the statutory approvals are not obtained within the prescribed time or at all.
- Revised Schedule of Activities:

Activity	Original Schedule	Revised Schedule
	Day and Date	
Date of Public Announcement	Monday, May 14, 2018	Monday, May 14, 2018
Publication of Detailed Public Statement in Newspapers	Monday, May 21, 2018	Monday, May 21, 2018
Last date of filing Draft Letter of Offer with SEBI	Monday, May 28, 2018	Monday, May 28, 2018
Last date for public announcement of a competing offer(s)	Monday, June 11, 2018	Monday, June 11, 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)	Monday, June 18, 2018	Friday, August 31, 2018*
Identified Date**	Wednesday, June 20, 2018	Tuesday, September 4, 2018
Last date by which the Letter of Offer will be dispatched to the shareholders	Wednesday, June 27, 2018	Tuesday, September 11, 2018
Last date of upward revision of Offer Price and/ or the Offer Size	Thursday, June 28, 2018	Wednesday, September 12, 2018
Last date by which a committee of independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company***	Friday, June 29, 2018	Friday, September 14, 2018
Publication of advertisement containing announcement of the schedule of activities of this Offer, status of statutory and other approvals, if any, and procedure for tendering acceptances, in the newspapers where the DPS was published and notified to the SEBI, the BSE and the Target Company at its registered office	Tuesday, July 3, 2018	Tuesday, September 18, 2018
Date of commencement of Tendering Period (Offer opening date)	Wednesday, July 4, 2018	Wednesday, September 19, 2018
Date of closure of Tendering Period (Offer closing date)	Tuesday, July 17, 2018	Thursday, October 4, 2018
Last date of communicating of rejection/ acceptance and payment of consideration for accepted tenders/ return of unaccepted shares	Tuesday, July 31, 2018	Friday, October 19, 2018
Last date for publication of post Offer advertisement	Tuesday, August 7, 2018	Friday, October 26, 2018
Last date for filing of final report with SEBI	Tuesday, August 7, 2018	Friday, October 26, 2018

* Actual date of receipt of SEBI's observation letter on the DLOF.

** Identified Date is the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Eligible Public Shareholders to whom the LOF shall be sent. The Identified Date is only for the purpose of determining the shareholders of the Target Company as on such date to whom the LOF would be dispatched. It is clarified that all Eligible Public Shareholders, whether registered or unregistered, are eligible to participate in this Open Offer at any time during the Tendering Period.

*** The recommendations of IDC were published in the Newspapers on September 1, 2018.

- The Acquirer and its directors accept full responsibility for the information contained in this Pre-Offer Advertisement and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations.
- This Pre-Offer Advertisement will also be available on the SEBI's website (www.sebi.gov.in)

ISSUED BY THE MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRER



ICICI SECURITIES LIMITED

ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020

Contact Person: Rupesh Khant/ Arjun A Mehrotra

Tel: +91 22 2288 2460, Fax: +91 22 2288 6580

E-mail: lkp.openoffer@icicisecurities.com, Website: www.icicisecurities.com

SEBI Registration Number: INM000011179

Place: Mumbai

Date: September 17, 2018