

DRAFT LETTER OF OFFER (“DLOF”)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as Equity Shareholder(s) of Bhagwandas Metals Limited (“BML” or “Target Company”). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer (as defined herein below) or the Registrar to the Offer (as defined herein below). In the event you have sold your Equity Shares in the Target Company, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, and the transfer deed to the purchaser of the Equity Shares or the member of the stock exchange through whom the said sale was effected.

OPEN OFFER BY

Ajay Narendrabhai Chaudhari (**Acquirer 1**) having his permanent address at 3-B, Pragatinagar Society, Near Pursharthnagar, Nagalpur, Mehsana, Nagalpur(Part), Mahesana – 384001, Gujarat, India

&

Ashish Jashwantbhai Desai (**Acquirer 2**), Mita Ashish Desai (**Acquirer 3**) and Ashishbhai Jashwantbhai Desai HUF (**Acquirer 4**) through its Karta, Ashish Jashwantbhai Desai, having their permanent address at B.No. 12, Rivera 30 Bungalows, Opp. Shivalik Arcade, Near Auda Garden, Prahladnagar Satellite, Ahmedabad – 380 015 (hereinafter collectively referred to as “Acquirers”)

to the Shareholder(s) of

BHAGWANDAS METALS LIMITED (“BML” or “Target Company”)

CIN: L28931TN1982PLC009418

Registered Office: New No. 54, (Old No. 61), Sembudoss Street, Chennai – 600 001

Tel: 044 – 2523 3049 / 4211 3801 Email: bml@vsnl.net Website: www.metal-bml.com

To acquire upto **9,48,688 (Nine Lakhs Forty Eight Thousand Six Hundred And Eighty Eight Only)** Equity Shares of the face value of ₹ 10/- each (“Offer Shares”), representing **26%** of the total share capital of the Target Company on a fully diluted basis, as of the tenth working day from the closure of the tendering period of the open offer, from the eligible shareholders of the Target Company for cash at a price of ₹ 21/- per equity share.

Please Note:

1. This Offer is being made by the Acquirers pursuant to regulations 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“Takeover Regulations”).
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of Takeover Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the Takeover Regulations.
4. There has been no competing offer as on the date of this Draft Letter of Offer.
5. The Offer is subject to the compliance of the terms and conditions as set out under the Share Purchase Agreement (“SPA”) dated February 1, 2018. To the best of the knowledge of the Acquirers, there are no statutory approvals required for the purpose of this Offer. If any statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such statutory approvals.
6. If there is any upward revision in the Offer Price or the number of Shares sought to be acquired under the Open Offer by the Acquirers, at any time prior to the commencement of the last three working days before the commencement of the tendering period i.e. March 26, 2018 the same would be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirers for all the shares validly tendered anytime during the Tendering Period of the Open Offer.
7. A copy of the Public Announcement, the Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgment) are also available on SEBI’s website: www.sebi.gov.in.

MANAGER TO THE OFFER



Chartered Finance Management Limited

2nd Floor, Wakefield House, Sprott Road,
Ballard Estate, Mumbai 400 038, India

Tel No: +91 22 22692944

Fax No: +91 22 22624943

Email id: bmlopenoffer@cfml.in

Website: www.charteredfinance.in

SEBI Registration Number: INM000012052

Contact Person: R. Ramnath

REGISTRAR TO THE OFFER



Cameo Corporate Services Limited

Subramanian Building, No. 1,
Club House Road, Chennai – 600 002.

Tel. No.: +91 44 28460390(5 Lines)

Fax No.: +91 44 28460129

E-mail: investor@cameoindia.com

Website: www.cameoindia.com

SEBI Registration Number: INR000003753

Contact Person: Sreepriya K

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

<i>Activity</i>	<i>Day and Date</i>
Public Announcement (PA)	01.02.2018, Thursday
Publication of DPS in the newspapers	08.02.2018, Thursday
Filing of the draft letter of offer with SEBI	16.02.2018, Friday
Last date for a competitive bid	06.03.2018, Tuesday
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	13.03.2018, Tuesday
Identified Date*	15.03.2018, Thursday
Letter of Offer to be dispatched to shareholders	22.03.2018, Thursday
Last date for revising the Offer price/ number of shares	26.03.2018, Monday
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	27.03.2018, Tuesday
Date of publication of Offer Opening Public Announcement	28.03.2018, Wednesday
Date of commencement of Tendering Period (Offer Opening Date)	02.04.2018, Monday
Date of Expiry of Tendering Period (Offer Closing Date)	13.04.2018, Friday
Last Date for completion of all requirements including payment of consideration	27.04.2018 Friday

** Identified Date is only for the purpose of determining the names of the Shareholders of the Target Company as on such date to whom the Letter of Offer would be sent. It is clarified that all the shareholders holding Equity Shares of the Target Company (registered or unregistered) (except the parties to the Share Purchase Agreement and Promoters) are eligible to participate in this Offer any time before the closure of this Offer*

RISK FACTORS

I. RISK FACTORS RELATING TO THE TRANSACTION

- The Offer is subject to the compliance of the terms and conditions as set out under the Share Purchase Agreement (“SPA”) dated February 1, 2018. In accordance with the Share Purchase Agreement, the transaction under the Share Purchase Agreement shall be completed upon the fulfillment of conditions precedent and agreed between the Acquirers and the Sellers in the Share Purchase Agreement.
- To the best of the knowledge and belief of the Acquirers, no statutory or regulatory approvals are required by the Acquirers to complete this Open Offer. However, in case of any statutory or regulatory approvals being required by the Acquirers at a later date, this Open Offer shall be subject to receipt of such approvals and the Acquirers shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory or regulatory approvals, as per Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirers agreeing to pay interest to the Public Shareholders for delay beyond 10th Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Where the statutory or regulatory approvals extend to some but not all the Public Shareholders, the Acquirers shall have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such Public Shareholders.
- In terms of and in accordance with Regulation 23(1) of the Takeover Regulations, if the conditions precedent and other conditions as stated in paragraph VII (B) are not satisfactorily complied with for reasons beyond the control of the Acquirers, the Open Offer would stand withdrawn. The Acquirers reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the Takeover Regulations in the event the requisite statutory approvals that may be necessary at a later date are refused.

II. RISKS RELATING TO THE OFFER

- This Open Offer is an offer to acquire not more than 26% of the total share capital of the Target Company from the Eligible Shareholders. In the case of Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Shares tendered by the Eligible Shareholders in the Open Offer will be accepted.
- In the event that either: (a) regulatory or statutory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirers from performing their obligations hereunder, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Shares are accepted under the Offer as well as the return of Shares not accepted under the Offer by the Acquirers may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any wilful default or negligence on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers agreeing to pay interest to the validly tendering Shareholders.
- The Equity Shares tendered in the Offer and documents will be held in the special account of the Clearing Corporation till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Shares during such period. During such period, there may be fluctuations in the market price of the Shares. The Acquirers make no assurance with respect to the market price of the Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
- The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than

in this Draft Letter of Offer / Detailed Public Statement / Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirers, or the Manager to the Offer) would be doing so at his/her/their own risk.

- Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the tendering period even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.
- This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft 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 Acquirers 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.
- 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 Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.
- This Offer is subject to completion risks as would be applicable to similar transactions.

III. **Risks relating to Acquirers and the Target Company**

- Acquirers make no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
- The Acquirers cannot provide any assurance with respect to the market price of the Shares of the Target Company before, during or after the Offer and the Acquirers expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirers, but are only indicative and are not exhaustive. The risk factors do not relate to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation in the Offer by a Shareholder. The Shareholders are advised to consult their stockbroker, or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.

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I. KEY DEFINITIONS

Acquirer 1	Ajay Narendrabhai Chaudhari having his permanent address at 3-B, Pragatinagar Society, Near Pursharthnagar, Nagalpur, Mehsana, Nagalpur(Part), Mahesana – 384001, Gujarat, India
Acquirer 2	Ashish Jashwantbhai Desai having his permanent address at B.No. 12, Rivera 30 Bungalows, Opp. Shivalik Arcade, Near Auda Garden, Prahladnagar Satellite, Ahmedabad – 380 015
Acquirer 3	Mita Ashish Desai having her permanent address at B.No. 12, Rivera 30 Bungalows, Opp. Shivalik Arcade, Near Auda Garden, Prahladnagar Satellite, Ahmedabad – 380 015
Acquirer 4	Ashishbhai Jashwantbhai Desai HUF through its Karta, Ashish Jashwantbhai Desai, having its permanent address at B. No. 12, Rivera 30 Bungalows, Opp. Shivalik Arcade, Near Auda Garden, Prahladnagar Satellite, Ahmedabad – 380 015
Acquirers	Acquirer 1, Acquirer 2, Acquirer 3 and Acquirer 4 collectively
Agreement/ Share Purchase Agreement/ SPA	Share Purchase Agreement dated February 1, 2018 entered between the Acquirers and the Sellers
Board of Directors	Board of directors of the Target company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time.
Depositories	CDSL and NSDL
Detailed Public Statement/ DPS	Detailed Public Statement dated February 8, 2018 issued by the Manager to the Offer, on behalf of the Acquirers, in relation to the Offer and published in Business Standard (English & Hindi; All editions), Mumbai Lakshadeep (Marathi; Mumbai edition) and Makkal Kural (Tamil; Chennai edition) on February 8, 2018 in accordance with the regulations 3(1) and 4 read with Regulations 13(4), 14(3) and 15(2) and other applicable regulations of the Takeover Regulations.
DP	Depository participant
Equity Share(s)/ Share(s)	The fully paid up equity share(s) of the Target Company having a face value of ₹ 10/- (Rupees ten) per equity share
Equity Share Capital / Total Share Capital	The Issued, Subscribed Share Capital of the Target Company is comprising of 36,48,800 Equity Shares of ₹ 10/- each.
Voting Share Capital	The Equity Shares of 36,44,900 fully paid up equity shares of ₹ 10/- each and 3,900 Equity Shares of ₹ 10/- each paid to the extent of ₹ 5/- per share paid-up.
Escrow Agreement	Escrow Agreement entered between the Acquirers, Escrow Agent and Manager to the Offer
Escrow Bank / Escrow Agent	Indian Overseas Bank
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors
FIPB	Foreign Investment Promotion Board
Form of Acceptance-cum-Acknowledgment	Form of Acceptance-cum-Acknowledgment attached to this Draft Letter of Offer
Identified Date	March 15, 2018, Thursday i.e., the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent

Letter of Offer/ LOF	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
LODR	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Manager to the Offer	Chartered Finance Management Limited
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
NRI	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/Open Offer	The Offer being made by the Acquirers for acquiring upto 9,48,688 (Nine Lakhs Forty Eight Thousand Six Hundred and Eighty Eight Only) Equity Shares representing 26% of the Total Share Capital, from the Public Shareholders at the Offer Price payable in cash.
Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 1,99,22,448/- (Rupees One crore Ninety Nine Lakhs Twenty Two Thousand Four Hundred and Forty Eight Only)
Offer Period	Period commencing from April 2, 2018, Monday till the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be.
Offer Price	₹ 21/- (Rupees Twenty One Only) per Equity Share
Offer Size	Up to 9,48,688 (Nine Lakhs Forty Eight Thousand Six Hundred and Eighty Eight Only) Equity Shares representing 26% of the Total Share Capital
Public Announcement/PA	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirers on February 1, 2018 in accordance with Takeover Regulations
RBI	Reserve Bank of India
Registrar to the Offer	Cameo Corporate Services Limited
Sale Shares	18,97,376 fully paid up Equity Shares, representing 52.00% of the Total Share Capital, proposed to be acquired by the Acquirers from the Sellers pursuant to the Share Purchase Agreement ("SPA")
SCRR	Securities Contract (Regulations) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	SEBI Act, 1992, as amended
Sellers	Collectively, Seller 1 to Seller 4
Seller 1	Govind Prasad holding 6,94,977 Equity Shares constituting 19.05% of the total Share Capital of the Target Company
Seller 2	Nand Kishore Sonthalia holding 4,28,883 Equity Shares constituting 11.75% of the total Share Capital of the Target Company
Seller 3	Gita Agarwal holding 7,08,234 Equity shares constituting 19.41% of the total Share Capital of the Target Company
Seller 4	Bobby Sonthalia holding 3,22,542 Equity Shares constituting 8.84% of the total Share Capital of the target company and selling 65,282 shares constituting 1.79% of the total Share Capital of the Target Company
Stock Exchange	BSE Limited
Target Company	Bhagwandas Metals Ltd., having its registered office at New No. 54, Old No. 61, Sembudoss Street, Chennai – 600 001, India.
Tendering Period	Monday April 2, 2018 to Friday April 13, 2018
Working Day	Working days of SEBI

II. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS 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. THIS 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 BHAGWANDAS METALS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS 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 ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED FINANCE MANAGEMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 16, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

III. DETAILS OF THE OFFER

A) Background of the Offer

1. This mandatory offer (the “Offer” or “Open Offer”) is being made by the Acquirers in compliance with Regulations 3(1) and 4 of and other applicable provisions of the Takeover Regulations, to acquire 26% of the total share capital accompanied with management control of the Target Company.
2. The Acquirers have entered into a Share Purchase Agreement on February 1, 2018 (“SPA”) with the existing promoters of the Target Company having its registered office at No: New No. 54 Old No. 61, Sembudoss Street, Chennai – 600 001, India, namely, Govind Prasad, Nand Kishore Sonthalia, Gita Agarwal, and Bobby Sonthalia, (collectively referred to as “Sellers”), for the acquisition of 18,97,376 Equity Shares (“Sale Shares”) constituting 52.00% of the total Share Capital of the Target Company for cash at a price of ₹ 21/- (Rupees Twenty One Only) per Sale Share aggregating to ₹ 3,98,44,896/- (Rupees Three Crores Ninety Eight Lakhs Forty Four Thousand Eight Hundred and Ninety Six Only) payable in cash (“Transaction”).
3. The Acquirers hereby make this Offer to Public Shareholders of the Target Company (other than the Promoter and Promoter Group members and the Acquirers) to acquire Offer Shares, representing in aggregate 26% of the total Share Capital of the Target Company at a price of ₹ 21/- (Rupees Twenty One only) per fully paid up Equity Share (“Offer Price”) payable in cash subject to the terms and conditions mentioned in the PA and in the Letter of Offer (“LoF” or “Letter of Offer”) that will be circulated to the shareholders in accordance with the Takeover Regulations. The amount of ₹ 10/- per share remaining unpaid on 3,900 Equity Shares (of which ₹ 5/- per share is towards face value and ₹ 5/- per share is towards share premium) if any tendered in the offer shall be adjusted against the offer price of ₹ 21/- per share and the balance amount of ₹ 11/- per share alone shall be paid to such shareholders who may tender their partly paid up shares in the offer.
4. A summary of some of the salient features of the SPA which are all subject to detailed terms in the SPA, is as follows:
 - a) The Promoters of the target company currently hold 24,53,455 Equity Shares aggregating 67.24% of the total share capital of the company.
 - b) The Sellers presently hold 21,54,636 (Twenty One Lakhs Fifty Four Thousand Six Hundred and Thirty Six) fully paid-up equity shares of ₹10/- each, aggregating to a total 59.05% of the total Share Capital of the Target Company.
 - c) The Acquirers intend to buy from the Sellers and the Sellers intend to sell to the Acquirers 18,97,376 (Eighteen Lakhs Ninety Seven Thousand Three Hundred and Seventy Six) fully paid up equity shares constituting 52.00% of the total Share Capital of the Target Company at ₹ 21/- (Rupees Twenty One only) per share, aggregating to a total consideration of ₹ 3,98,44,896/- (Rupees Three Crore Ninety Eight Lakhs Forty Four Thousand Eight Hundred and Ninety Six Only) (“SPA Consideration”) through an off market transaction.
 - d) The Sellers unequivocally and unconditionally represent to the Acquirers that the Sellers’ title to the Sale Shares is clear and free from encumbrances, litigations, any possible restrictions and lien and no party or person(s) whatsoever has any right, title, succession, interest, claim or demand whatsoever in respect of or anything relating to or connected with the Sale Shares and no amount whatsoever is either due or payable by the Sellers to any person(s) or institution(s) or to any one in respect of the Sale Shares offered to be transferred.
 - e) The Sellers agree and confirm that the Sale Shares agreed to be acquired by the Acquirers as per the SPA shall not be withdrawn by them except in the events envisaged in Clause 11 of the SPA.
 - f) After completion of the transaction the right to run the company will vest with the Acquirers absolutely and the Sellers will facilitate the same by resigning from the Board of Directors of the Company.
5. This Offer is not made pursuant to any indirect acquisition, arrangement or agreement and is not a conditional offer.
6. This Offer is not a result of a global acquisition, an open market purchase or a negotiated deal.

7. The Acquirers confirm that they are not prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.
8. Upon the completion of the sale and purchase of the Sale Shares under the SPA, the Sellers shall not hold any shares in the Target Company except for 2,57,260 Equity Shares held by Bobby Sonthalia.
9. The Sellers shall cease to be the Promoters of Target Company and relinquish the management control of the Target Company in favor of the Acquirers. The Acquirers will acquire control of the Target Company, and be classified as Promoters subject to the approval of the shareholders of the Company by way of a special resolution in accordance with the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**SEBI LODR Regulations**”). The reclassification shall also be subject to the compliance of the conditions specified in Regulation 31A of the SEBI LODR Regulations, being more specifically, that the exiting promoters and persons acting in concert with them shall not hold more than ten per cent of the paid-up equity capital of the Company, post completion of Open Offer, they shall not have any special rights through formal or informal arrangements and they or their relatives shall not act as key managerial personnel for a period of more than three years from the date of shareholders’ approval.
10. The Committee of Independent Directors of the Board of the Target Company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared latest by Tuesday, March 27, 2018.

B) Details of the proposed Offer:

1. The Acquirers have published the Detailed Public Statement on Thursday, February 8, 2018 in the following newspapers:

<i>Sr. no.</i>	<i>Newspapers</i>	<i>Language</i>	<i>Editions</i>
1	Business Standard	English	All Editions
2	Business Standard	Hindi	All Editions
3	Mumbai Lakshadeep	Marathi	Mumbai
4	Makkal Kural	Tamil	Chennai – Registered Office of the Company

A copy of the DPS is also available on the SEBI’s website at www.sebi.gov.in

2. Pursuant to the Open Offer, the Acquirers propose to acquire 9,48,688 Equity Shares representing 26% of the Total Equity Share Capital of the Target Company, as of the tenth (10th) working day from the closure of the tendering period, at the Open Offer Price of ₹ 21/- (Rupees Twenty One only) per Equity Share, to be paid in cash, in accordance with the Takeover Regulations and subject to the terms and conditions set out in the Draft Letter of Offer. The amount of ₹ 10/- per share remaining unpaid on 3,900 Equity Shares (of which ₹ 5/- per share is towards face value and ₹ 5/- per share is towards share premium) if any tendered in the offer shall be adjusted against the offer price of ₹ 21/- per share and the balance amount of ₹ 11/- per share alone shall be paid to such shareholders who may tender their partly paid up shares in the offer.
3. Upon completion of Transaction under the SPA and relinquishment of control by the Promoter and Promoter Group of the Target Company, the Acquirers will acquire control of the Target Company and be classified as a promoter subject to the approval of the shareholders of the Company by way of a special resolution in accordance with the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”). The reclassification shall also be subject to the compliance of the conditions specified in Regulation 31A of SEBI LODR Regulations, being more specifically, that the exiting promoters and persons acting in concert with them shall not hold more than ten per cent of the paid-up equity capital of the Company, they shall not have any special rights through formal or informal arrangements and they or their relatives shall not act as key managerial personnel for a period of more than three years from the date of shareholders’ approval.

4. The Offer is being made to all the Shareholders of the Target Company (other than the Promoter and Promoter Group Members). All Shares validly tendered in the Open Offer will be acquired by the Acquirers in accordance with the terms and conditions set forth in this Draft Letter of Offer. The Shares to be acquired under the Offer must be free from all lien, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
5. There are 3,900 partly paid-up Shares in the Target Company.
6. The Offer is not a competing offer in terms of Regulation 20 of the Takeover Regulations.
7. The Manager to the Offer does not hold any Equity Shares as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares of the Target Company during the Offer Period.
8. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations.
9. As on the date of this Draft Letter of Offer, the Acquirers do not hold any shares in the Target Company
10. The Acquirers confirm that they have not acquired any Shares of Target Company after the date of PA i.e. February 1, 2018 and up to the date of this Draft Letter of Offer.
11. In the event that the Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, the acquisition of Shares from the Eligible Shareholders will be on a proportionate basis, as detailed in paragraph VIII of this Draft Letter of Offer.
12. The Equity Shares of the Target Company are listed on BSE. As per Regulation 38 of LODR, read with Rule 19(2) and Rule 19A of Securities Contract (Regulation) Rules, 1957 (“SCRR”), the Target Company is required to maintain at least 25% public shareholding (i.e. Shares of the Target Company held by the public as determined in accordance with the SCRR, on a continuous basis for listing). If the acquisition of 26% of the Total Share Capital in the Target Company under this Offer results in non-public shareholding exceeding the maximum permissible limit, as required for continuous listing, the Acquirers undertake that they shall bring the public shareholding to the requisite minimum level as per LODR and SCRR within a period of 12 months from the day of the completion of the offer period, failing which they shall make a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2009.

IV. OBJECT OF THE ACQUISITION/ OFFER

1. The Acquirers do not have any plan to make major changes to the existing line of the business of the Target Company except in the ordinary course of business. However, in case the Acquirers intend to build a new business, they shall do so, subject to the prior approval of the shareholders. Upon completion of the offer, the Acquirers may reorganize the present Capital structure of the Target Company and also further strengthen the Board.
2. The Acquirers do not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25 (2) of Takeover Regulations.
3. The object of acquisition is to acquire substantial shares/voting rights accompanied with change in management and control of the Target Company.

V. BACKGROUND OF THE ACQUIRERS

A. ACQUIRER 1 – AJAY NARENDRABHAI CHAUDHARI

- (a) Ajay Narendrabhai Chaudhari, (hereinafter referred to as “Acquirer 1”) is an Indian National, aged 38 years, having PAN Number ADWPC6473A, having his address at 3-B, Pragatinagar Society, Near Pursharthnagar, Nagalpur, Mehsana, Nagalpur(Part), Mahesana – 384001, Gujarat, India. His mobile Number is (+)91 98250 97000 and his email id is pradhin@gmail.com.
- (b) Ajay Narendrabhai Chaudhari is an undergraduate by qualification and he is having experience of 13 years in the field of trading of dairy products.
- (c) Ajay Narendrabhai Chaudhari has not promoted any other venture except a proprietary concern in the name of “**Dudhsagar Marketing**” which is in the business of trading in dairy products.
- (d) Acquirer 1 has confirmed that he is not categorized as a “**Wilful Defaulter**” in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011. He has further confirmed that he and his proprietary concern are not appearing in the wilful defaulters list of the Reserve Bank of India and is not debarred by SEBI from accessing the capital markets or from dealing in securities in terms of the provisions of Section 11B of the SEBI Act, 1992 or under any other Regulation of the SEBI Act, 1992.
- (e) Except for the shares proposed to be acquired under the Share Purchase Agreement, Acquirer 1 does not have any interest or relationship with the target company or its promoters, directors or its Key Managerial Personnel.
- (f) Acquirer 1 does not hold directorships in any company, including a listed company.
- (g) The Networth of Acquirer 1 as on December 25, 2017 is ₹ 4,80,02,692/- (Indian Rupees Four Crore Eighty Lakhs Two Thousand Six Hundred Ninety Two Only) and the same is certified by Malav J. Ajmera, Chartered Accountant, Partner, ASA & Associates LLP having its office at A/1, Second Floor, Safal Proitaire, Corporate Road, Prahladnagar, Ahmedabad - 380015 (Membership No. 114351; Firm Registration No.: 009571N) vide his certificate dated 27th December 2017. Acquirer 1 has sufficient liquid funds as on date to fulfill his monetary obligations under this Open Offer.
- (h) Acquirer 1 undertakes not to sell the Equity Shares of the Target Company held by him during the “Offer Period” in terms of Regulation 25(4) of the Takeover Regulations.
- (i) Acquirer 1 is not part of any group.
- (j) Acquirer 1 has not held and does not hold any Equity Shares of the Target Company as on the date of this DPS. Therefore the provisions of chapter V of the SEBI (SAST) Regulations, 2011 and provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable as far as the holding of Acquirer 1 is concerned.
- (k) Acquirer 1 is not related to Acquirer 2, Acquirer 3 and Acquirer 4.

B. ACQUIRER 2–ASHISH JASHWANTBHAI DESAI

- (a) Ashish Jashwantbhai Desai, (hereinafter referred to as “Acquirer 2”) is an Indian National aged 54 years having PAN Number ACUPD9673J is having his address at B No: 12, Rivera 30 Bungalows, Opp. Shivalik Arcade, Near Auda Garden, Prahladnagar Satellite, Ahmedabad – 380 015. His mobile number is (+)91 98796 03050 and his email id is nirmanschool_panchwati@yahoo.com
- (b) Ashish Jashwantbhai Desai is a M.D. (Ped.) by qualification and has experience of 20 years in the field of running an educational institute in the name of Nirman High School at Panchavati Circle, Near Saraswat Bank, C.G. Road, Ellisbridge, Ahmedabad, Gujarat 380015.
- (c) Ashish Jashwantbhai Desai has not promoted any other venture except Nirman High School which is in the business of education.
- (d) Acquirer 2 has confirmed that he is not categorized as a “**Wilful Defaulter**” in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011. His name does not appear in the “wilful defaulters” list of the Reserve Bank of India and is not debarred by SEBI from accessing the capital markets or from dealing in securities in terms of the provisions of Section 11B of the SEBI Act, 1992 or under any other Regulation of the SEBI Act, 1992.
- (e) Except for the shares proposed to be acquired under the Share Purchase Agreement, Acquirer 2 does not have any interest or relationship with the target company or its promoters, directors or its Key Managerial Personnel.
- (f) Acquirer 2 does not hold directorships in any company, including a listed company,
- (g) The Networth of Acquirer 2 as on December 28, 2017 is ₹ 9,16,43,108.25 (Indian Rupees Nine Crore Sixteen Lakhs Forty Three Thousand One Hundred and Eight and Paise Twenty Five Only) and the same is certified by Gnanesh S. Divatia, Chartered Accountant, Proprietor, Shamik J. Divatia & Co having its office at 10-11, 3rd Floor, Sahayoga Commercial Centre, Opp. Dinbai Tower, Lal Darwaja, Ahmedabad – 380 001 (Membership No. 035498; Registration No. 109880W) vide his certificate dated December 28, 2017. Acquirer 2 has sufficient liquid funds as on date to fulfill his monetary obligations under this Open Offer.
- (h) Acquirer 2 undertakes not to sell the Equity Shares of the Target Company held by him during the “Offer Period” in terms of Regulation 25(4) of the Takeover Regulations.
- (i) Acquirer 2 is not part of any group.
- (j) Acquirer 2 has not held and does not hold any Equity Shares of the Target Company as on the date of this DPS. Therefore, the provisions of chapter V of the SEBI (SAST) Regulations, 2011 and provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable as far as the holding of Acquirer 2 is concerned.
- (k) Acquirer 2 is the husband of Acquirer 3 and Acquirer 2 is the Karta of Acquirer 4. Acquirer 2 is not related to Acquirer 1.

C. ACQUIRER 3 – MITA ASHISH DESAI

- (a) Mita Ashish Desai, (hereinafter referred to as “Acquirer 3”) is an Indian National aged 52 years having PAN Number AATPD2827P and resides at B No: 12, Rivera 30 Bungalows, Opp. Shivalik Arcade, Near Auda Garden, Prahladnagar Satellite, Ahmedabad – 380 015. Her mobile number is (+)91 98258 63764 and her email id is nirmanschool_panchwati@yahoo.com
- (b) Acquirer 3 is a BDS by qualification and is having experience of 20 years in the field of running an educational institute in the name of Nirman High School at Panchavati Circle, Near Saraswat Bank, C.G. Road, Ellisbridge, Ahmedabad, Gujarat 380015.

- (c) Acquirer 3 has not promoted any other venture except Nirman High School which is in the business of education.
- (d) Acquirer 3 has confirmed that she is not categorized as a “Wilful Defaulter” in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011. She has further confirmed that her name does not appear in “wilful defaulters” list of the Reserve Bank of India and is not debarred by SEBI from accessing the capital markets or from dealing in securities in terms of the provisions of Section 11B of the SEBI Act, 1992 or under any other Regulation of the SEBI Act, 1992.
- (e) Except for the shares proposed to be acquired under the Share Purchase Agreement, Acquirer 3 does not have any interest or relationship with the target company or its promoters, directors or its Key Managerial Personnel.
- (f) Acquirer 3 does not hold directorships in any company, including a listed company,
- (g) The Networth of Acquirer 3 as on December 19, 2017 is ₹ 5,12,46,650/- (Indian Rupees Five Crore Twelve Lakhs Forty Six Thousand Six Hundred and Fifty Only) and the same is certified by Gnanesh S. Divatia Chartered Accountant, Proprietor, Shamik J. Divatia & Co having its office at 10-11, 3rd Floor, Sahayoga Commercial Centre, Opp. Dinbai Tower, Lal Darwaja, Ahmedabad – 380 001 (Membership No 035498; Registration No. 109880W) vide his certificate dated December 19, 2017. Acquirer 3 has sufficient liquid funds as on date to fulfill her monetary obligations under this Open Offer.
- (h) Acquirer 3 undertakes not to sell the equity shares of the Target Company held by her during the “Offer Period” in terms of Regulation 25(4) of the Takeover Regulations.
- (i) Acquirer 3 is not part of any group.
- (j) Acquirer 3 has not held and does not hold any Equity Shares of the Company as on the date of this DPS. Therefore the provisions of chapter V of the SEBI (SAST) Regulations, 2011 and provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable as far as the holding of Acquirer 3 is concerned.
- (k) Acquirer 3 is the wife of Acquirer 2. Acquirer 3 is not related to Acquirer 1.

D. ACQUIRER 4–ASHISHBHAI JASHWANTBHAI DESAI HUF

- (a) Ashishbhai Jashwantbhai Desai HUF, (hereinafter referred to as “Acquirer 4”) having PAN Number AA-EHA5304B has its address at B No: 12, Rivera 30 Bungalows, Opp Shivalik Arcade, Near Auda Garden, Prahladnagar Satellite, Ahmedabad – 380 015. The Karta of Ashishbhai Jashwantbhai Desai HUF is Ashish Jashwantbhai Desai whose mobile number is (+)91 98796 03050 and his email id is nirmanschool_panchwati@yahoo.com
- (b) Ashish Jashwantbhai Desai, the Karta is aged 54 years, is a M.D. (Ped.) by qualification having experience of 20 years in the field of running an educational institute in the name of Nirman High School at Panchavati Circle, Near Saraswat Bank, C.G. Road, Ellisbridge, Ahmedabad, Gujarat 380015
- (c) Ashish Jashwantbhai Desai, the Karta of Acquirer 4 has not promoted any other venture except Nirman High School which is in the business of education.
- (d) Acquirer 4 has confirmed that it or its Karta is not categorized as a “Wilful Defaulter” in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011. It has further confirmed that the HUF or its Karta are not appearing in the “wilful defaulters” list of the Reserve Bank of India and is not debarred by SEBI from accessing the capital markets or from dealing in securities in terms of the provisions of Section 11B of the SEBI Act, 1992 or under any other Regulation of the SEBI Act, 1992.
- (e) Except for the shares proposed to be acquired under the Share Purchase Agreement, Acquirer 4 or its Karta do not have any interest or relationship with the target company or its promoters, directors or its Key Managerial Personnel.

- (f) The Karta of Acquirer 4 does not hold directorships in any company, including a listed company,
- (g) The Networth of Acquirer 4 as on January 5, 2018 is ₹ 10,07,68,232/- (Indian Rupees Ten Crore Seven Lakhs Sixty Eight Thousand Two Hundred Thirty Two Only) and the same is certified by Gnanesh S. Divatia, Chartered Accountant, Proprietor, Shamik J. Divatia & Co. having its office at 10-11, 3rd Floor, Sahayoga Commercial Centre, Opp. Dinbai Tower, Lal Darwaja, Ahmedabad – 380 001 (Membership No. 035498; Registration No.: 109880W) vide his certificate dated January 5, 2018. Acquirer 4 has sufficient liquid funds as on date to fulfill its monetary obligations under this Open Offer.
- (h) Acquirer 4 undertakes not to sell the equity shares of the Target Company held by it during the “Offer Period” in terms of Regulation 25(4) of the Takeover Regulations.
- (i) Acquirer 4 is not part of any group.
- (j) Acquirer 4 has not held and does not hold any Equity Shares of the Company as on the date of this DPS. Therefore, the provisions of chapter V of the SEBI (SAST) Regulations, 2011 and provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable as far as the holding of Acquirer 4 is concerned.
- (k) Acquirer 2 is the Karta of Acquirer 4 and Acquirer 4 is not related to Acquirer 1.

VI. BACKGROUND OF THE TARGET COMPANY

1. The Target Company was incorporated on June 03, 1982 under the Companies Act 1956 as Bhagwandas Metals Limited. There has been no change in the name of the company since incorporation. The Corporate Identity Number of the Target Company is L28931TN1982PLC009418.
2. The registered office of the Target Company is situated at New No. 54 (Old No. 61), 1st Floor, Sembudoss Street, Chennai – 600 001. Tel: 044 – 2523 3049 / 4211 3801 Email: bml@vsnl.net Website: www.metal-bml.com
3. **The objects of the Target Company as per its Memorandum of Association inter-alia include:**
 - a) To set up Steel Furnace and continuous casting and rolling Mill plant for producing steel and alloy Steel billets, and all kinds and sizes of rerolled sections, such as flats, angles, rounds, squares, hexagons, octagons, rails, joints, channels, Steel strips, sheets, plates, deformed bars, plain and coiled twisted bars, bright bars, shaftings and steel structurals.
 - b) To carry on all or any of the business of manufacturers, processors, importers, exporters of and dealers in all kinds of ferrous and non-ferrous materials meant for any industrial or non-industrial use whatsoever and to carry on the business in cold or hot rolling, re-rolling, smithing, edge milling. To act as merchants or agents for the same or purchase of all or any of the products or by products of any and every such business or for the materials used in the production or manufacture thereof, or in connection with the above business of the company.
 - c) To carry on all or any of the business of manufacturers, drawers, rollers, repairers, connectors, makers, exporters, importers, agents, stockists, brokers, traders and dealers, of and in iron, steel, alloy steel, all ferrous and non-ferrous, metals castings, scrap, billets, rods, wires, pipes, tubes, hoops, strips, engineering industrial and consumer products and goods, machines, agricultural and industrial tools, equipments and accessories and all raw-material, machinery and stores required in connection therewith.
 - d) To manufacture, assemble, prepare, export, import, trade and deal in Railway materials, track fittings, signaling and interlocking equipment and fitting, wagon coach and carriage components and fittings, agricultural implements and accessories, structural materials of all kinds, bolts, nuts, washers, screws, nails, hinges, cast iron pipes, fittings and other materials, steel and metal furniture and containers, telephone, telegraph and electronic equipments, materials and appliances and all machinery stores, tools, raw-materials required in connection therewith and all its finished and semi finished products, by-products and scraps.
 - e) To manufacture calcinide coke out of raw-petroleum coke and from any raw-material which is suitable to produce calcinide coke.
 - f) To generate hydro, thermal, wind, sea, solar and all other types of power and to distribute the power and electricity for industrial, domestic commercial purposes and to manufacture the equipment required for setting up of all types of power plants and to deal in such equipment and to render consultancy
 - g) To establish necessary power stations, cables, wire lines, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity for the purpose of light, heat, motive power and for all other purposes, for which electrical energy can be employed and to manufacture and deal in all other apparatus and things required for or capable of being used in connection with generation, distribution, supply, accumulation and employment of electricity.
 - h) To carry on the business of electric power, light and supply, design, construct, layout, establish, fix, carry out and run all necessary power stations, workshops, repair shops, sub-stations, transmission lines, cables, wires, accumulators and works and to generate accumulate, distribute and supply electricity to industries or to State Electricity Board or to Cities, Towns, Streets, Docks, Markets.
4. The company is being managed by Shri.Govind Prasad and Shri.Nand Kishore Sonthalia. The company is currently engaged in trading mainly in Iron and Steel Products, i.e. TMT bars, Structural Items, Plates, Sheets, Billets, scrap etc.
5. The company does not have any subsidiary.
6. The Authorized Share Capital of the Target Company is ₹ 500 Lakhs comprising of 50,00,000 Equity Shares of face value ₹ 10 each. The Issued and Subscribed Share Capital of the Target Company is ₹ 3,64,68,500 comprising of 36,48,800 Equity Shares of ₹10/- each. There are calls unpaid to the extent of ₹19,500/- on 3,900

Equity shares amounting to ₹ 10/- per share of which ₹5/- per share is towards face value and ₹ 5/- per share is towards share premium. There are no outstanding convertible instruments to be converted into Equity Shares of the Target Company at a future date.

7. The Equity Shares of the Target Company were initially listed at the Madras Stock Exchange and BSE pursuant to the Initial Public Offering. Subsequently, MSE has been derecognized as a Stock Exchange vide SEBI Order dated May 14, 2015 and the equity shares of the Target Company are currently listed only on BSE. (Scrip Code: 530095) (Source: www.bseindia.com)
8. The equity shares of the Target Company are infrequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011. (Source: www.bseindia.com).
9. The Target Company has paid listing fees to BSE for the financial year 2017 - 2018.
10. The trading in the Equity Shares of the Target Company has never been suspended on the stock exchange.
11. The capital structure of the Target Company as of the date of this Draft Letter of Offer is:

<i>Issued and Paid-up Equity Share Capital</i>	<i>Number of Equity Shares (Face Value - ₹ 10/-)/Voting Rights</i>	<i>Percentage of Equity Shares/Voting Rights</i>
Total Issued Capital	36,48,800	100
Partly paid-up equity shares	3,900	0.107
Total fully paid-up equity shares	36,44,900	99.893
Total Voting Rights in Target Company	36,46,850	99.947

12. As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

<i>Sr. No.</i>	<i>Name, PAN and Address</i>	<i>Designation</i>	<i>DIN</i>	<i>Date of Appointment</i>
1.	Govind Prasad PAN: AABPA4727F Address: Old No. F42, New No. F 66, Anna Nagar (East) Chennai – 600 102.	Whole Time Director	00017460	03.06.1982
2.	Nand Kishore Sonthalia PAN: AABPA4726E Address: Old No. F42, New No. F 66, Anna Nagar (East) Chennai – 600 102	Managing Director	00021585	31.12.2005
3.	Chidambaram Chettiar Ramasamy Chettiar PAN: ADIPR8173J Address: Flat 11, Crown Apartments, New No. 17, Old No. 6 Buddha Street, Rangarajapuram, Chennai – 600 034	Director	01107229	21.05.1998
4.	Nirmal Anraj Gadhiya PAN: AAGPG2335J Address: Old No. 46. New No. 24 Dr B N Road, T Nagar, Chennai - 600 017	Director	00678742	23.09.2005

5.	Narender Kumar Lunawath PAN: AABPL4418N Address: Mohan Villa No. 3, Harleys Road, Kilpauk, Chennai – 600 010	Director	00067129	31.12.2005
6.	Gita Agarwal PAN: AABPA4729W Address: Old No. F42, New No. F 66, Anna Nagar (East) Chennai – 600 102	Director	06969459	10.02.2015
7.	Bhavin Sarvaiya Kanaiyalal PAN: BGXPS3251F Address: E-403, Ashray Gold Flat, Savan Bunglows, GST Road, New Ranip, Ahmedabad - 382470	Additional Director	08010395	04.01.2018

13. None of the members on the Board of Directors of the Target Company represent the Acquirers.
14. No merger / demerger / spin off have taken place in the Target Company during the last three years.
15. Brief financial details of the Target Company, as obtained from its audited standalone financial statements as at and for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 and the unaudited standalone financials for the nine months period ended December 31, 2017 are as follows:
(Amount ₹ in lakhs)

<i>Profit & Loss Statement</i>	<i>Unaudited Financials for the 9 months period ended December 31, 2017</i>	<i>Audited Financials for the year ended March 31, 2017</i>	<i>Audited Financials for the year ended March 31, 2016</i>	<i>Audited Financials for the year ended March 31, 2015</i>
Total Income	700.11	2,796.13	2,226.26	4,648.73
Total Expenditure	732.87	2,774.55	2,212.80	4,625.29
Profit Before Interest, Depreciation and Tax	(21.75)	43.48	28.16	73.23
Interest	10.37	20.57	12.55	46.24
Profit Before Depreciation and Tax	(32.12)	22.91	15.61	26.99
Depreciation	0.64	1.34	2.16	3.55
Profit Before Tax	(32.76)	21.58	13.45	23.44
Provision for Tax	0.00	6.68	4.16	7.50
Profit After Tax	(32.76)	14.90	9.29	15.94
<i>Balance Sheet Statement</i>	<i>Unaudited Financials as at December 31, 2017</i>	<i>Audited Financials as at March 31, 2017</i>	<i>Audited Financials as at March 31, 2016</i>	<i>Audited Financials as at March 31, 2015</i>
Paid up share capital	364.68	364.68	364.68	364.68
Reserves and Surplus	351.22	383.98	369.08	359.78
Less: Miscellaneous Expenses not written off	0.00	0.00	0.00	0.00
Networth	715.90	748.66	733.76	724.47
Secured loans	0.00	0.00	0.00	0.00
Unsecured loans	0.00	0.00	0.00	0.00
Deferred Tax Liabilities (Net)	0.00	0.00	0.00	0.00

Long Term Provisions	20.60	22.82	22.80	21.36
Trade Payables	19.17	252.45	157.83	233.70
Other Current Liabilities	75.35	271.61	332.78	384.45
Total	831.02	1,295.55	1,247.18	1,363.98
Net fixed assets	1.97	2.61	3.95	6.11
Investments	0.00	30.00	30.00	30.00
Long Term Loans & Advances	194.48	161.96	173.04	173.07
Deferred Tax Assets (Net)	8.93	8.93	8.86	8.27
Other Current Assets	199.52	680.54	868.20	1079.49
Cash and Bank Balances	426.11	411.50	163.13	67.04
Total	831.02	1,295.55	1,247.18	1,363.98
Other Financial Data	Unaudited Financials for the 9 months period ended December 31, 2017	Audited Financials for the year ended March 31, 2017	Audited Financials for the year ended March 31, 2016	Audited Financials for the year ended March 31, 2015
Dividend (%)	0.00	0.00	0.00	0.00
Earnings Per Share (Rs.)	(0.90)	0.41	0.25	0.44
Return on Net worth (%)	(4.58)	1.99	1.27	2.20
Book Value per share (Rs.)	19.62	20.51	20.11	19.85

16. Pre and Post Offer Shareholding Pattern of the Target Company as on date of this Draft Letter of Offer is and shall be as follows:

Shareholders' Category	Shareholding & voting rights prior to the acquisition (SPA) and Open Offer		Equity Shares/voting rights agreed to be acquired which has triggered the Regulations		Equity Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the SPA and Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter/ promoter group								
a. Parties to agreement, if any	21,54,636	59.05	0	0.00	0	0.00	2,57,260	7.05
b. Promoters other than (a) above	2,98,819	8.19	0	0.00	0	0.00	2,98,819	8.19
Total (1)	24,53,455	67.24	0	0.00	0	0.00	0	0.00
(2) Acquirers	0	0.00	18,97,376	52.00	948688	26.00	28,46,064	78.00
(3) Public (other than parties to agreement, Acquirers)	11,95,345	32.76	0	0.00	0	0.00	2,46,657	6.76
Grand Total (1+2+3)	36,48,800	100					36,48,800	100.00

17. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A) JUSTIFICATION FOR THE OFFER PRICE

- The equity shares of the Target Company are listed on BSE only.
- The annualized trading turnover in the equity shares of the Target Company on BSE based on trading volume during the twelve calendar months prior to the month of PA is as given below:

Stock Exchange	Total no. of equity shares traded during the twelve calendar months prior to the month of PA	Total no. of listed equity shares	Annualized trading turnover (as % of shares listed)
BSE	55,644	36,48,800	1.52%

(Source: www.bseindia.com)

- Based on the information provided in point above, the equity shares of the Target Company are **infrequently traded** on the BSE within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.
- The Offer Price of ₹ 21/- (Rupees Twenty One only) is justified in terms of regulation 8 of the SEBI (SAST) Regulations, 2011, **being the highest of the following:**

a)	Highest negotiated price per share for acquisition under the SPA;	₹ 21/-
b)	The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirers or by any person(s) acting in concert, during the fifty-two weeks immediately preceding the date of public announcement;	Not Applicable
c)	The highest price paid or payable for any acquisition, whether by the Acquirers or by any person(s) acting in concert, during the Twenty-six weeks immediately preceding the date of the Public Announcement	Not Applicable
d)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period	Not Applicable
e)	Where the shares are not frequently traded, the price determined by the Acquirers and the Manager to the Open Offer taking into account valuation parameters per Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	₹ 8.74 [#]
	Other Financial Parameters as at March 31, 2017	
	Return on Networth (%)	1.99
	Book Value per share (₹)	20.51
	Earnings per share (Diluted) (₹)	0.41

[#] CA Mathy Sam, Partner of Lily & Geetha Associates, Chartered Accountants (Membership No. 206624; FRN: 006982S) having Head office at No. 61, (Old No. 24) Flat No. 1, VJ Flats, 4th Main Road, Gandhinagar, Adyar, Chennai – 600 020; Email id: mathysam@gmail.com, vide certificate dated January 10, 2018, has certified that he has in terms of Supreme Court decision in the case of Hindustan Lever Employees Union v/s. Hindustan Lever Limited (1995) (83 Company Cases 30), considered the (i) Net Asset Value (“NAV”) Method (ii) Profit Earning Capacity Value (PECV) Method and (iii) Market based Value Method and accorded weights of 1,2 and 3 respectively to the values arrived at under each methodology for the purpose of arriving at the fair value for the Shares of the Target Company. As per the certification given, the Fair Value has been arrived at ₹ 8.74 per Equity Share.

The Open Offer is being made at a price of ₹ 21/-, which is higher of the Fair Market Valuation arrived and the negotiated price, hence, justified.

5. In view of the above parameters considered and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹ 21/- per equity share is justified in terms of regulation 8 of the Takeover Regulations.
6. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
7. There has been no revision in the Offer Price or to the size of this Offer as on the date of this DPS.
8. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last three working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the Takeover Regulations. In the event of such revision, the Acquirers shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph V(4) of this DPS; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.

B) FINANCIAL ARRANGEMENTS

1. Assuming full acceptance, the total funds requirement to meet this Offer is ₹ 1,99,22,448 (Rupees One Crore Ninety Nine Lakhs Twenty Two Thousand Four Hundred and Forty Eight Only).
2. The Networth of Acquirer 1 as on December 25, 2017 is ₹ 4,80,02,692/- (Indian Rupees Four Crore Eighty Lakhs Two Thousand Six Hundred Ninety Two Only) and the same is certified by Malav J. Ajmera, Chartered Accountant, Partner, ASA & Associates LLP having its office at A/1, Second Floor, Safal Protaire, Corporate Road, Prahladnagar, Ahmedabad - 380015 (Membership No. 114351; Firm Registration No.: 009571N) vide his certificate dated 27th December 2017, He has sufficient liquid funds as on date to fulfill his monetary obligations under this Open Offer.
3. The Networth of Acquirer 2 as on December 28, 2017 is ₹ 9,16,43,108.25 (Indian Rupees Nine Crore Sixteen Lakhs Forty Three Thousand One Hundred and Eight and Paise Twenty Five Only) and the same is certified by Gnanesh S. Divatia, Chartered Accountant, Proprietor, Shamik J. Divatia & Co having its office at 10-11, 3rd Floor, Sahayoga Commercial Centre, Opp. Dinbai Tower, Lal Darwaja, Ahmedabad – 380 001 (Membership No. 035498; Registration No. 109880W) vide his certificate dated December 28, 2017. He has sufficient liquid funds as on date to fulfill his monetary obligations under this Open Offer.
4. The Networth of Acquirer 3 as on December 19, 2017 is ₹ 5,12,46,650/- (Indian Rupees Five Crore Twelve Lakhs Forty Six Thousand Six Hundred and Fifty Only) and the same is certified by Gnanesh S. Divatia Chartered Accountant, Proprietor, Shamik J. Divatia & Co having its office at 10-11, 3rd Floor, Sahayoga Commercial Centre, Opp. Dinbai Tower, Lal Darwaja, Ahmedabad – 380 001 (Membership No 035498; Registration No. 109880W) vide his certificate dated December 19, 2017. She has sufficient liquid funds as on date to fulfill her monetary obligations under this Open Offer.
5. The Networth of Acquirer 4 as on January 5, 2018 is ₹ 10,07,68,232/- (Indian Rupees Ten Crore Seven Lakhs Sixty Eight Thousand Two Hundred Thirty Two Only) and the same is certified by Gnanesh S. Divatia, Chartered Accountant, Proprietor, Shamik J. Divatia & Co. having its offices at 10-11, 3rd Floor, Sahayoga Commercial Centre, Opp. Dinbai Tower, Lal Darwaja, Ahmedabad – 380 001 (Membership No. 035498; Registration No.: 109880W) vide his certificate dated January 5, 2018. The Acquirer 4 has sufficient liquid funds as on date to fulfill its monetary obligations under this Open Offer.
6. In accordance with Regulation 17(1) of the Takeover Regulations, the Acquirers have opened an escrow cash account bearing Account No. 012502000003305 (“**Bhagwandas Metals Ltd Open Offer Escrow Account**”) with Indian Overseas Bank, acting for the purpose of this agreement through its branch situated at GF-1, Satved Complex, Sardar Patel Stadium Road, Ahmedabad - 380014, and have made a cash deposit of ₹ 50,05,000

(Rupees Fifty Lakhs Five Thousand Only) in the Escrow Account. The cash deposited in Escrow Account represents more than 25% of the total consideration payable to the Equity Shareholders under this Offer. The Acquirers have empowered the Manager to the Offer to operate and to realize the value of the Escrow Account in terms of Regulation 21(1) of the Takeover Regulations.

7. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirers, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.
8. Based on the above, Chartered Finance Management Ltd, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to implement the offer in full accordance with the Takeover Regulations.

VII. TERMS AND CONDITIONS OF THE OFFER

1. The tendering period will commence on Monday, April 2, 2018 and will close on Friday, April 13, 2018.
2. The Equity Shares offered under this Offer should be free from all lien, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
4. The Identified date for this Offer is Thursday, March 15, 2018.
5. Target Company has signed agreements with Depositories for offering Shares in dematerialized form. The ISIN Number is INE656B01019.
6. The Marketable lot for the Shares of the Target Company for the purpose of this Offer shall be 1(One). (*Source: www.bseindia.com*)
7. None of the Equity Shares are subject to Lock-in.

A) ELIGIBILITY FOR ACCEPTING THE OFFER

1. The Letter of Offer shall be mailed to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form (except the present promoter group shareholders, parties to the Agreements and Acquirers) whose names appear in register of Target Company as on Thursday, March 15, 2018, the Identified Date.
2. This Offer is also open to persons who own Equity Shares in Target Company but are not registered Shareholders as on the Identified date.
3. All Equity Shareholders/Beneficial Owners (except the present Promoter Group, parties to the Agreements and the Acquirers) who own Equity Shares of Target Company any time before the closure of the Offer are eligible to participate in the Offer.
4. The Form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai – 600 002 Tel No: +91 44 28460390(5 Lines) Fax No: +91 44 28460129 Email: investor@cameoindia.com; Contact Person: Sreepriya K between; 10.00 am to 5.00 pm on working days (except Saturdays, Sundays and all public holidays), during the period the Offer is open.
5. The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance will also be available on the SEBI's website at www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance from the SEBI's website for applying in the Offer.
6. Unregistered Shareholders, those who hold shares in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Shareholders.
7. The acceptance of this Offer by the Equity Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
8. The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s)/Beneficial owner(s) of Target Company.

9. The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc. during transit and the Equity Shareholders of Target Company are advised to adequately safeguard their interest in this regard.
10. The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
11. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

B) STATUTORY AND OTHER APPROVALS

1. As of the date of this DLOF, to the best of the knowledge of the Acquirers, there are no statutory approvals required to implement the Offer. However, in case of any regulatory or statutory approvals being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirers shall make the necessary applications for such approval.
2. If any of the public shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIIs) require any approvals inter-alia from the Reserve Bank of India, the Foreign Investment Promotion Board or any regulatory body for the transfer any Equity Shares to the Acquirers, they shall be required to submit such approvals along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirers reserve the right to reject the Equity Shares tendered by such shareholders that are not resident in India.
3. Subject to the receipt of statutory and other approvals, if any, the Acquirers shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
4. In terms of Regulation 18(11) of the Takeover Regulations, the Acquirers shall be responsible to pursue all statutory approvals required by the Acquirers in order to complete the Open Offer without any default, neglect or delay. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the Takeover Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the Takeover Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
5. In terms of Regulation 23(1) of the Takeover Regulations, if any of the conditions precedent and other conditions as stated in the SPA and Share Sale/Purchase Confirmation or approvals mentioned in paragraph VII B(1) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirers have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, the Stock Exchanges and the registered office of the Target Company.

VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

1. The Open Offer shall be implemented by using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09,2016.
2. The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE, which shall be the Designated Stock Exchange, in the form of a separate window (“Acquisition Window”)
3. For implementation of the Open Offer, the Acquirers have appointed (the “**Buying Broker**”) through whom the purchases and settlements on account of the Open Offer would be made by the Acquirers. The contact details of the Buying Broker are as follows:

Name: Choice Equity Broking Private Limited
Address: Shree Shakambhari Corporate Park,
Plot No.: 156-158, J.B. Nagar, Andheri (East),
Mumbai – 400 099.
Contact Person: Bhavik Gandhi
Tel.: +91 2267079999
E-mail ID: bhavik.gandhi@choiceindia.com

4. All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker**”), during the normal trading hours of the secondary market during the Tendering Period.
5. The Acquisition Window provided by BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for demat equity shares as well as physical equity shares.
6. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period.
7. Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).

PROCEDURE TO BE FOLLOWED BY SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM:

1. The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:
 - i. The Form of Acceptance-cum-Acknowledgement duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;
 - ii. Original share certificates;
 - iii. Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirers;
 - iv. Self-attested copy of the Shareholder's PAN Card;
 - v. Any other relevant documents such as (but not limited to):
 - Duly attested power of attorney if any person other than the Equity Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement;
 - Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased;

- Necessary corporate authorization, such as Board Resolutions etc., in case of companies.
- vi. Self attested copy of address proof such as valid Aadhaar Card, Voter ID, Passport or Driving License.
2. The Selling Broker shall place order on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling Broker shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
 3. After placement of order, as mentioned above, the Seller Broker/shareholder shall deliver the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other documents either by registered post or courier or hand delivery to the Registrar to the Offer not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as “Bhagwandas Metals Limited – Open Offer”.
 4. Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA the bid will be accepted else rejected and accordingly the same will be displayed on BSE’s Website.
 5. In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN DEMATERIALIZED FORM:

1. The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker, indicating details of Shares they wish to tender in Open Offer.
2. The Selling Broker shall provide early pay-in of demat shares (except for Custodian Participant orders) to the Clearing Corporation before placing the bids / orders and the same shall be validated at the time of order entry.
3. 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 close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
4. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation, before the opening of the Offer.
5. Upon placing the bid, the seller member(s) shall provide Transaction Registration slip (“TRS”) generated by the Exchange Bidding System to the shareholder. TRS will contain details of order submitted like Bid ID No. DP ID, Client ID, No of Shares tendered etc.
6. The Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. Shareholders holding Equity Shares in physical mode will be required to fill the Form of Acceptance. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance.

ACCEPTANCE OF SHARES

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

In the event that the number of Equity Shares (including Demat Shares and Physical Shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, 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.

PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF THE LETTER OF OFFER

Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

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

The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company. Public Shareholders holding Equity Shares in physical mode will be sent Form of Acceptance along with the Letter of Offer. 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) 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.

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

SETTLEMENT PROCESS

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 Shares transferred to the Clearing Corporation.

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.

The direct credit of shares shall be given to the demat accounts of the Acquirers indicated by the Acquirers' Buying Broker. For the same, the existing facility of client direct payout in the capital market segment shall be available.

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 Buying Broker's pool account.

In case of partial or non-acceptance of orders or excess pay-in, Demat Shares shall be released to the securities pool account of the Selling Broker(s) / Custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.

Any excess Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholder(s) directly by Registrar to the Offer.

SETTLEMENT OF FUNDS / PAYMENT CONSIDERATION

For Equity Shareholders holding Equity Shares in demat and physical mode:

The settlement of fund obligation for demat and physical shares shall be effected by clearing corporation. For the equity shares accepted under the open offer, the payment will be made by the Clearing Corporation to the shareholders directly to their bank account.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Public Shareholder will receive funds payout in their settlement bank account.

The funds received from Buyer Broker by the Clearing Corporation will be released directly, to Public Shareholder.

Shareholders who intend to participate in the Offer should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller 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 Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

NOTE ON TAXATION

For Equity Shareholders holding Equity Shares in demat and physical mode:

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. However, in the budget proposal for the F.Y. 2018-19, it is proposed that sale of listed equity shares held for more than 12 (twelve) months will be subject to long term capital gains tax @ 10% after April 1st 2018. The applicability of the proposal will be subject to approval of the same by both houses of parliament and the President of India. Further, any gain realised on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax provided the transaction is chargeable to STT.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRERS DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A RESULT OF THIS OFFER.

IX. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Shareholders of the Target Company at the office of the Manager to the Offer at 2nd Floor, Wakefield House, Sprott Road, Ballard Estate, Mumbai 400 038 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

1. Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
2. Certified Un-Audited Financials for the 9 months period ended December 31, 2017 and Annual reports of the Target Company for the financial years ending March 31, 2017, March 31, 2016 and March 31, 2015.
3. Networth Certificate of Acquirer 1 dated December 25, 2017, issued by Malav J. Ajmera, Chartered Accountant, Partner, ASA & Associates LLP having its office at A/1, Second Floor, Safal Proitaire, Corporate Road, Prahladnagar, Ahmedabad - 380015 (Membership No. 114351; Firm Registration No.: 009571N).
4. Liquidity Certificate of Acquirer 1 issued by Malav J. Ajmera, Chartered Accountant, Partner, ASA & Associates LLP certifying that the Acquirers have firm and adequate financial resources to meet the financial obligations under the Open Offer.
5. Networth Certificate of Acquirer 2 dated December 28, issued by Gnanesh S. Divatia, Chartered Accountant, Proprietor, Shamik J. Divatia & Co, (Membership No. 035498; Registration No. 109880W)
6. Liquidity Certificate of Acquirer 2 issued by Gnanesh S. Divatia, Chartered Accountant, Proprietor, Shamik J. Divatia & Co certifying that the Acquirers have firm and adequate financial resources to meet the financial obligations under the Open Offer.
7. Networth Certificate of Acquirer 3 dated December 19, 2017 issued by Gnanesh S. Divatia Chartered Accountant, Proprietor, Shamik J. Divatia & Co. (Membership No 035498; Registration No. 109880W).
8. Liquidity Certificate of Acquirer 3 issued by Gnanesh S. Divatia, Chartered Accountant, Proprietor, Shamik J. Divatia & Co certifying that the Acquirers have firm and adequate financial resources to meet the financial obligations under the Open Offer.
9. Networth Certificate of Acquirer 4 dated January 5, 2018 by Gnanesh S. Divatia, Chartered Accountant, Proprietor, Shamik J. Divatia & Co. (Membership No. 035498; Registration No.: 109880W).
10. Liquidity Certificate of Acquirer 4 issued by Gnanesh S. Divatia, Chartered Accountant, Proprietor, Shamik J. Divatia & Co certifying that the Acquirers have firm and adequate financial resources to meet the financial obligations under the Open Offer. Memorandum of Understanding between Manager to the Offer i.e. Chartered Finance Management Ltd and the Acquirers.
11. Share Purchase Agreement ('SPA') entered between the Acquirers and the Promoters/Sellers on February 1, 2018.
12. Letter from Indian Overseas Bank Limited dated February 03, 2018 confirming the balance of Rs. 50,05,000/- in the Escrow Account.
13. Due Diligence Certificate dated February 16, 2018 submitted to SEBI by Chartered Finance Management Limited, Manager to the Offer.
14. Undertaking from the Acquirers for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all the Shareholders of the Target Company whose applications are accepted in the Open Offer.
15. Undertaking from the Acquirers with regard to Responsibility under Regulation 2(o) and Regulation 7(4) of the Regulations.
16. Copies of the Public Announcement ('PA') dated February 1, 2018 & a published copy of the Detailed Public Statement ('DPS') which appeared in the newspapers on Thursday February 8, 2018.
17. A copy of the Recommendations to be published on [●] made by the Board of Independent Directors of the Target Company as required in terms of Regulation 26(7) of the Regulations.
18. Copy of the Observation Letter no [●] dated [●] issued by SEBI.

X. DECLARATION BY THE ACQUIRERS

For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company and the Sellers, the Acquirers have relied on the information provided by the Target Company and/or the Sellers and has not independently verified the accuracy of details of the Target Company and/ or the Sellers. Subject to the aforesaid, the Acquirers, accepts full responsibility for the information contained in this Draft Letter of Offer and also accept responsibility for the obligations of the Acquirers as laid down in the Takeover Regulations. The Acquirers shall be solely responsible for ensuring compliance with the Takeover Regulations.

Acquirer 1

Sd/-

AJAY NARENDRABHAI CHAUDHARI

Acquirer 2

Sd/-

ASHISH JASHWANTBHAI DESAI

Acquirer 3

Sd/-

MITA ASHISH DESAI

Acquirer 4

Sd/-

**ASHISHBHAI JASHWANTBHAI DESAI HUF
-KARTA ASHISH JASHWANTBHAI DESAI**

Place: Mumbai

Date: February 16, 2018