

**LETTER OF OFFER**

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

This Letter of Offer ("**Letter of Offer**" / "**LoF**") is sent to you as a Public Shareholder (as defined below) of Nirlon Limited. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Managers (as defined below) / Registrar to the Offer (as defined below). In case you have recently sold your Equity Shares (as defined below), please hand over this LoF and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of stock exchange through whom the said sale was effected.

**RECO BERRY PRIVATE LIMITED**

**A private limited company incorporated in Singapore under the Companies Act (Chapter 50)**

Registered office: 168 Robinson Road, #37-01 Capital Tower, Singapore 068 912

(Tel: +65 6889 8888, Fax: +65 6889 6878)

(hereinafter referred to as the "**Acquirer**" / "**Reco Berry**")

**MAKES A CASH OFFER OF INR 222 (RUPEES TWO HUNDRED AND TWENTY TWO ONLY) PER FULLY PAID UP EQUITY SHARE OF FACE VALUE OF INR 10 EACH, TO ACQUIRE UP TO 25,600,000 EQUITY SHARES REPRESENTING 28.41% OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SEBI (SAST) REGULATIONS (AS DEFINED BELOW) FROM THE PUBLIC SHAREHOLDERS OF**

**NIRLON LIMITED**

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

Registered office: Pahadi Village, Off Western Express Highway, Goregaon (East), Mumbai – 400 063

Tel: +91 22 4028 1919 / 2685 2257 / 58 / 59, Fax: +91 22 4028 1940. CIN: L17120MH1958PLC011045

(hereinafter referred to as the "**Target Company**" / "**Target**")

1. This Offer (as defined below) is made pursuant to and in compliance with the provisions of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer in terms of Regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. The acquisition of the Offer Shares (as defined below) from NRIs (as defined below) and erstwhile OCBs (as defined below) is subject to approval or exemption from the RBI (as defined below). The Acquirer had submitted an application to the RBI dated 4 February, 2015, seeking its approval for the acquisition of the Offer Shares from NRIs and OCBs, as may be required, under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. The RBI vide its letter dated 24 February, 2015, *inter-alia* conveyed its 'no-objection' in respect of acquisition of Equity Shares under the Offer from those NRI and OCB shareholders who held such Equity Shares as at 31 December, 2014, subject to the conditions detailed in this Letter of Offer. Notwithstanding the RBI approval received by the Acquirer for the Identified NRIs (as defined below), any other NRI shareholder may also choose to apply for all requisite approvals required to tender their respective Offer Shares and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.
5. Where any statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer.
6. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Managers, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.
7. The Acquirer may withdraw the Offer in accordance with the terms and conditions specified in Part VI section C paragraph 7of this Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Managers) shall, within two Working Days (as defined below) of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
8. The Offer Price (as defined below) may be subject to revision pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last three Working Days before the commencement of the Tendering Period (as defined below) in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares during the period commencing three Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the Open Offer Escrow Amount (as defined below); (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, inform SEBI (as defined below), the Stock Exchange (as defined below) and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
9. **There has been no competing offer as of the date of this Letter of Offer.**

A copy of the Public Announcement (as defined below), the corrigendum to the Public Announcement, the Detailed Public Statement and the Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) is also available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

MANAGERS TO THE OFFER		REGISTRAR TO THE OFFER
 <b>HSBC Securities and Capital Markets (India) Private Limited</b> 52 / 60 MG Road, Fort, Mumbai 400 001 Tel: +91 22 2268 1840 Fax: +91 22 4914 6225 Email: <a href="mailto:nirlon.openoffer@hsbc.co.in">nirlon.openoffer@hsbc.co.in</a> Contact Person: Mr. Ravi Thanvi SEBI Registration Number: INM000010353 CIN: U67120MH1994PTC081575		 <b>Kotak Mahindra Capital Company Limited</b> 27BKC, 1 <sup>st</sup> floor, Plot no. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: +91 22 22 4336 0000 Fax: +91 22 22 6713 2447 Email: <a href="mailto:project.nopenoffer@kotak.com">project.nopenoffer@kotak.com</a> Contact Person: Ganesh Rane SEBI Registration Number: INM000008704 CIN: U67120MH1995PLC134050
		 <b>Karvy Computershare Private Limited</b> Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081, Andhra Pradesh, India Telephone: +91 40 2342 0818 – +91 40 4465 5000 / Toll free no: 1-800-3454-001 Fax: +91 40 234 31551 Email: <a href="mailto:murali.m@karvy.com">murali.m@karvy.com</a> Contact Person: Mr. Muralikrishna SEBI Registration Number: INR000000221

The schedule of activities under the Offer is as follows:

Activity	Schedule of activities as per the DLoF	Revised schedule of activities
	Date & Day	
Date of the Public Announcement	December 23, 2014, Tuesday	December 23, 2014, Tuesday
Date of publication of the Detailed Public Statement	December 31, 2014, Wednesday	December 31, 2014, Wednesday
Filing of the Draft Letter of Offer with SEBI	January 7, 2015, Wednesday	January 7, 2015, Wednesday
Last date for a competing offer(s)	January 21, 2015, Wednesday	January 21, 2015, Wednesday
Last date for SEBI observations on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Managers)	January 29, 2015, Thursday	February 27, 2015, Friday
Identified Date* (as defined below)	February 02, 2015, Monday	March 03, 2015, Tuesday
Date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	February 09, 2015, Monday	March 11, 2015, Wednesday
Last date for revising the Offer Price / Offer Size	February 11, 2015, Wednesday	March 13, 2015, Friday
Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	February 12, 2015, Thursday	March 16, 2015, Monday
Date of publication of Offer Opening Public Announcement in the newspapers in which the Detailed Public Statement has been published	February 13, 2015, Friday	March 17, 2015, Tuesday
Date of commencement of the Tendering Period (Offer Opening Date)	February 16, 2015, Monday	March 18, 2015, Wednesday
Date of closure of the Tendering Period (Offer Closing Date)	March 3, 2015, Tuesday	March 31, 2015, Tuesday
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	March 18, 2015, Wednesday	April 17, 2015, Friday
Last date for publication of post-Offer public announcement in the newspapers in which the Detailed Public Statement has been published	March 25, 2015, Wednesday	April 24, 2015, Friday

*\*The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be posted. It is clarified that, subject to paragraph 2 under Statutory and Other Approvals of Part VI below, all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in the Offer at any time prior to the expiry of the Tendering Period.*

## **RISK FACTORS**

### **Risk factors relating to the transaction**

- The acquisition of the Sale Shares (as defined below) by the Acquirer is subject to receipt of a written approval from the Reserve Bank of India for the acquisition of Equity Shares from Seller 1, Seller 2, Seller 9, Seller 10 and Sellers 11 to 27 on terms reasonably satisfactory to the Acquirer, approving the sale and purchase of such Equity Shares in accordance with the terms of the relevant Agreements (as defined below) executed by such Sellers (including the acquisition price of such Equity Shares).
- The acquisition of the Sale Shares is also subject to the satisfaction or waiver of various conditions under the Agreements. Some of these conditions are outlined in Part II (A) (*Background to the Offer*). If any of these conditions are not satisfied or, in certain cases, waived in accordance with the terms of those Agreements, the Acquirer shall be entitled to terminate the respective Agreements.

### **Risk factors relating to the Offer**

- The Acquirer may withdraw the Offer in accordance with the conditions specified in Part VI section C paragraph 7 of this Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Managers) shall, within two Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- The acquisition of the Offer Shares from NRIs and erstwhile OCBs is subject to the approval or exemption from the RBI. Where any such statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer. The RBI vide its letter dated 24 February, 2015, inter-alia conveyed its 'no-objection' in respect of acquisition of Equity Shares under the Offer from those NRI and OCB shareholders who held such Equity Shares as at 31 December, 2014, subject to the conditions detailed in this Letter of Offer. Notwithstanding the RBI approval sought by the Acquirer, any NRIs and OCBs may also choose to apply for all requisite approvals required to tender their respective Offer Shares and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.
- In the event of any litigation leading to a stay on the Offer by a court of competent jurisdiction, or SEBI instructing that the Offer should not proceed, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, in the event of any delay, the payment of consideration to the Public Shareholders of the Target Company, whose Equity Shares are accepted under this Offer, as well as the return of Equity Shares not accepted under this Open Offer by the Acquirer may be delayed.
- The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares held in trust by the Registrar to the Offer during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

- In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis as detailed in paragraph 9 of section A of Part V (*Justification of Offer Price*) below. Therefore, there is no certainty that all the Equity Shares tendered in the Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Public Shareholders in accordance with the schedule of activities for the Offer.
- Further, Public Shareholders should note that, under the SEBI (SAST) Regulations, once Public Shareholders have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of Equity Shares under the Offer and/or the dispatch of consideration.
- In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer.
- The Acquirer and the Managers accept no responsibility for the statements made otherwise than in the LoF, the DPS (as defined below) and/or the PA (as defined below) and/or in the Offer opening public announcement (as defined below) or in any corrigendum to the DPS and PA (if issued) and anyone placing reliance on any other source of information (not released by the Acquirer or the Managers) would be doing so at his, her or their own risk.
- Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Managers do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this LoF.

#### **Probable risks involved in associating with the Acquirer**

- None of the Acquirer or the Managers makes any assurance with respect to the continuation of past trends in the financial performance of the Target Company.
- None of the Acquirer or the Managers can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer.

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

## **CURRENCY OF PRESENTATION**

In this Letter of Offer, all references to “**Rs.**”/“**INR**”/ “**₹**” are to Indian Rupee(s), the official currency of India, all references to “**USD**”/“**US\$**”/“**US Dollar**” are to United States Dollars, the official currency of the United States of America and all references to “**SGD**”/“**SG\$**”/“**SG Dollar**” are to Singapore Dollars, the official currency of Singapore, respectively.

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

All financial data presented in US\$ in this Letter of Offer have been converted into INR for the purpose of convenience translation only.

The conversion has been assumed at the following rate as on the date of the PA (i.e. December 23, 2014) (unless otherwise stated in this Letter of Offer):

US\$ 1 = INR 63.4475 (Source: Reserve Bank of India - <http://www.rbi.org.in>)

SG\$ 1 = INR 47.9139 (Source: Bloomberg)

## **TABLE OF CONTENTS**

I.	DISCLAIMER CLAUSE	13
II.	DETAILS OF THE OFFER	14
III.	BACKGROUND OF THE ACQUIRER	34
IV.	BACKGROUND OF THE TARGET COMPANY	38
V.	OFFER PRICE AND FINANCIAL ARRANGEMENTS	47
VI.	TERMS AND CONDITIONS OF THE OFFER	50
VII.	PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER	53
VIII.	DOCUMENTS FOR INSPECTION	64
IX.	DECLARATION BY THE ACQUIRER	65

## DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Acquirer / Reco Berry	Reco Berry Private Limited
Agreements	The Group 1 SPAs, the Group 2 SPAs, the Group 3 SPSHAs and the Group 4 SPAs referred to collectively
BSE	BSE Limited
Cash Escrow	Cash aggregating to INR 5,683,200,000 (Rupees Five Billion Six Hundred and Eighty Three Million Two Hundred Thousand Only)
CDSL	Central Depository Services (India) Limited
Completion Date	The second business day following the last of (i) the date on which the Managers file their report with SEBI in accordance with the requirements of Regulation 27(7) of the SEBI (SAST) Regulations, (ii) receipt by the Acquirer of certificates from the Group 3 Sellers that the conditions precedent required to be fulfilled by them under the Group 3 SPSHAs have been fulfilled, and (iii) receipt by the Group 3 Sellers of certificates from the Acquirer that the conditions precedent required to be fulfilled by it under the Group 3 SPSHAs have been fulfilled; or such other date as may be mutually agreed, in writing, between the Group 3 Sellers and the Acquirer. If the number of Equity Shares validly tendered in response to the Open Offer is equal to or more than 21.79% of the Voting Share Capital and the Group 3 Sellers do not sell their Equity Shares to the Acquirer on this basis, the Completion Date shall be the date on which the post Open Offer public announcement is published by the Acquirer in accordance with Regulation 18(12) of the SEBI (SAST) Regulations
Corrigendum to the PA	The corrigendum to the Public Announcement dated December 30, 2014 issued by the Managers on behalf of the Acquirer
Depositories	CDSL and NSDL
Depository Participant	Karvy Computershare Private Limited, with which the Registrar to the Offer has opened the Open Offer Escrow Demat Account for receiving Equity Shares tendered during the Offer
Detailed Public Statement / DPS	The detailed public statement in connection with the Offer, published on behalf of the Acquirer on December 31, 2014
DP	Depository Participant
Draft Letter of Offer / DLoF	The Draft Letter of Offer dated January 7, 2015, filed with the SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
DTAA	Double Taxation Avoidance Agreement
Equity Share(s)	Fully paid up equity shares of the Target Company with face value of INR 10 each
Execution Date	December 23, 2014: For Group 1 SPAs, Group 2 SPAs and Group 3 SPSHAs, December 30, 2014: For Group 4 SPAs
FEMA	Foreign Exchange Management Act, 1999
FII	Foreign Institutional Investors
FPI	Foreign Portfolio Investors

<b>Particulars</b>	<b>Details / Definition</b>
Group 1 Sellers	Seller 1, Seller 2, Seller 3 and Seller 4 referred to collectively
Group 2 Sellers	Seller 5 and Seller 6 referred to collectively
Group 3 Sellers	Seller 7, Seller 8, Seller 9 and Seller 10 referred to collectively
Group 4 Sellers	Seller 11, Seller 12, Seller 13, Seller 14, Seller 15, Seller 16, Seller 17, Seller 18, Seller 19, Seller 20, Seller 21, Seller 22, Seller 23, Seller 24, Seller 25, Seller 26 and Seller 27 referred to collectively
Group 1 SPAs	Seller 1 SPA, Seller 2 SPA, Seller 3 SPA and Seller 4 SPA referred to collectively
Group 2 SPAs	Seller 5 SPA and Seller 6 SPA referred to collectively
Group 3 SPSHAs	SPSHA 1, SPSHA 2 and SPSHA 3 referred to collectively
Group 4 SPAs	Seller 7 SPA, Seller 8 SPA, Seller 9 SPA, Seller 10 SPA, Seller 11 SPA, Seller 12 SPA, Seller 13 SPA, Seller 14 SPA, Seller 15 SPA, Seller 16 SPA and Seller 17 SPA referred to collectively
Identified Date	The date falling on the 10th Working Day prior to the commencement of the Tendering Period
Income Tax Act	The Income Tax Act, 1961, as amended
Letter of Offer / LoF	This Letter of Offer dated March 05, 2015
Listing Agreement	The listing agreement entered into by the Target Company with BSE
Long Stop Date	December 23, 2015 or such other date as may be agreed to by the parties to the Agreements
Managers	HSBC Securities and Capital Markets (India) Private Limited and Kotak Mahindra Capital Company Limited
Material Adverse Change	Any event, occurrence, fact, condition, change, development or effect that has a material adverse effect or can reasonably be expected to have a materially adverse effect on: (i) the business, the assets (including intangible assets), operations, profits or liabilities of the Target Company, as existing immediately prior to the date of the Public Announcement; or (ii) the ability of the Group 2 Sellers and/or the Group 3 Sellers, as applicable, to consummate the transactions contemplated hereby in accordance with the terms of the Agreements, but shall exclude any effect resulting or arising directly or solely from the execution or performance of the Agreements or changes in interest rates, condition of financial or securities markets or general economic conditions.
Material Adverse Change for the purpose of the Open Offer	Any event, occurrence, fact, condition, change, development or effect that has a material adverse effect or can reasonably be expected to have a materially adverse effect on the business, the assets (including intangible assets), operations, profits or liabilities of the Target Company, taken as a whole, and has happened during the period between the date of the SPA and the date of this Letter of Offer, leading to a greater than 10% reduction in the EBITDA margin as reported by the Target Company for the nine month ended 31 December 2014 for the said period, which but shall exclude any effect resulting or arising directly or solely from the execution or performance of the Agreements or changes in interest rates, condition of financial or securities markets or general economic conditions.



<b>Particulars</b>	<b>Details / Definition</b>
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
Nirlon	Nirlon Limited
NOC	No-objection certificate
NRIs	Non-resident Indians
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies
Offer / Open Offer	Open offer being made by the Acquirer to the Public Shareholders of the Target to acquire up to 25,600,000 Equity Shares, representing 28.41% of the Voting Share Capital, at a price of INR 222 (Rupees Two Hundred and Twenty Two Only) per Offer Share
Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer
Offer Price	INR 222 (Rupees Two Hundred and Twenty Two Only) per Offer Share
Offer Shares	25,600,000 Equity Shares, representing 28.41% of the Voting Share Capital
Offer Size	INR 5,683,200,000 (Rupees Five Billion Six Hundred and Eighty Three Million Two Hundred Thousand Only), being the maximum consideration payable under this Offer assuming full acceptance
Open Offer Escrow Account	The account opened with The Hongkong and Shanghai Banking Corporation Limited in accordance with Regulation 17(4) of the SEBI (SAST) Regulations
Open Offer Escrow Agent	The Hongkong and Shanghai Banking Corporation Limited (acting through its office at 11th Floor, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063)
Open Offer Escrow Agreement	Escrow agreement dated December 23, 2014 entered into by the Acquirer with the Open Offer Escrow Agent and the Managers
Open Offer Escrow Amount	The Cash Escrow maintained by the Acquirer with the Open Offer Escrow Agent in accordance with the Open Offer Escrow Agreement
Open Offer Escrow Demat Account	The special depository account opened by the Registrar to the Offer with the Depository Participant for receiving Equity Shares tendered during the Offer
Overseas Tax	Tax payable in accordance with the tax laws applicable in the overseas jurisdiction in which the non-resident Public Shareholder is a resident for tax purposes
PAN	Permanent Account Number
Promoter	Promoter of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Promoter Group	Promoter Group of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Public Announcement / PA	The public announcement in connection with the Offer dated December 23, 2014 issued by the Managers on behalf of the Acquirer

<b>Particulars</b>	<b>Details / Definition</b>
Public Shareholder(s)	All equity shareholders of the Target Company other than the Promoters, parties to the Agreements and any persons acting or deemed to be acting in concert with any of them
RBI	Reserve Bank of India
Recosia	Recosia Private Limited
Registrar to the Offer	Karvy Computershare Private Limited
RTGS	Real Time Gross Settlement
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Seller 1	Maneesha Rahul Bhat
Seller 1 SPA	The share purchase agreement dated December 23, 2014 between the Acquirer and Seller 1
Seller 2	Mallika Vir Advani
Seller 2 SPA	The share purchase agreement dated December 23, 2014 between the Acquirer and Seller 2
Seller 3	Bilby Pte Limited
Seller 3 SPA	The share purchase agreement dated December 23, 2014 between the Acquirer and Seller 3
Seller 4	Guildford Pte Limited
Seller 4 SPA	The share purchase agreement dated December 23, 2014 between the Acquirer and Seller 4
Seller 5	Geraldton Finance Limited
Seller 5 SPA	The share purchase agreement dated December 23, 2014 between the Acquirer and Seller 5
Seller 6	Real India Invest Aktiengesellschaft
Seller 6 SPA	The share purchase agreement dated December 23, 2014 between the Acquirer and Seller 6
Seller 7	Deltron Pte Limited
Seller 8	Alfano Pte Limited
Seller 9	Kunal Virenchee Sagar
Seller 10	Rahul Virenchee Sagar
Seller 11	Nirja Kamani
Seller 7 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 11

Particulars	Details / Definition
Seller 12	Dhanraj Kishor Bhagat
Seller 8 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 12
Seller 13	Mala Gurbuxani and Maya Arjan Gurbuxani
Seller 14	Nandita Gurbuxani and Maya Arjan Gurbuxani
Seller 15	Rhea Gurmeet Bawa and Maya Arjan Gurbuxani
Seller 16	Maya Arjan Gurbuxani
Seller 9 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 13, Seller 14, Seller 15 and Seller 16
Seller 17	Gautam Rasiklal Ashra
Seller 10 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 17
Seller 18	Yashpal Kumar
Seller 11 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 18
Seller 19	Brinda Kumar
Seller 12 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 19
Seller 20	Shashank Bhupatrai Kapadia
Seller 21	Roopa Shashank Kapadia
Seller 13 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 20 and Seller 21
Seller 22	Asheesh Vishnu Malaney
Seller 14 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 22
Seller 23	Moolam Thirunal Rama Varma
Seller 15 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 23
Seller 24	Gouri Parvathi Bayi
Seller 25	Kumari Investment Corporation Private Limited
Seller 26	Narayanan Investment Trust Private Limited
Seller 16 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 24, Seller 25 and Seller 26
Seller 27	Narayanan Investment Trust Private Limited
Seller 17 SPA	The share purchase agreement dated December 30, 2014 between the Acquirer and Seller 27
Sellers	Seller 1, Seller 2, Seller 3, Seller 4, Seller 5, Seller 6, Seller 7, Seller 8, Seller 9, Seller 10, Seller 11, Seller 12, Seller 13, Seller 14, Seller 15, Seller 16, Seller 17, Seller 18, Seller 19, Seller 20, Seller 21, Seller 22, Seller 23, Seller 24, Seller 25, Seller 26, Seller 27 and Seller 28 referred to collectively

<b>Particulars</b>	<b>Details / Definition</b>
SPSHA 1	The share purchase and shareholders' agreement dated December 23, 2014 between the Acquirer and Seller 7
SPSHA 2	The share purchase and shareholders' agreement dated December 23, 2014 between the Acquirer and Seller 8
SPSHA 3	The share purchase and shareholders' agreement dated December 23, 2014 between the Acquirer and Seller 9 and Seller 10
SPA	Group 1 SPAs, Group 2 SPAs and Group 4 SPAs referred to collectively
Stock Exchange	The BSE Limited
Target / Target Company	Nirlon Limited
Tendering Period	18 March, 2015 to 31 March, 2015, both days inclusive
TRC	Tax Residency Certificate
Voting Share Capital	90,118,040 Equity Shares, being the Equity Shares as of the 10 <sup>th</sup> Working Day following the closure of the Tendering Period assuming there is no change in the Voting Share Capital between the date of this Letter of Offer and such date
Working Day(s)	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

## **I. DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKERS (MANAGERS TO THE OFFER), HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAVE SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 7, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”**

## II. DETAILS OF THE OFFER

### A. Background to the Offer

1. The Offer is being made by the Acquirer to the Public Shareholders of the Target Company in accordance with Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations pursuant to the execution of the following agreements by the Acquirer with the Sellers (as detailed below) on December 23, 2014 (Group 1 SPAs, Group 2 SPAs and Group 3 SPSHAs) and on December 30, 2014 (Group 4 SPAs):

#### Group 1 SPAs

- (i) an agreement to purchase Equity Shares of the Target Company from Maneesha Rahul Bhat (“**Seller 1**” and such share purchase agreement the “**Seller 1 SPA**”);
- (ii) an agreement to purchase Equity Shares of the Target Company from Mallika Vir Advani (“**Seller 2**” and such share purchase agreement the “**Seller 2 SPA**”);
- (iii) an agreement to purchase Equity Shares of the Target Company from Bilby Pte Limited (“**Seller 3**” and such share purchase agreement the “**Seller 3 SPA**”);
- (iv) an agreement to purchase Equity Shares of the Target Company from Guildford Pte Limited (“**Seller 4**” and such share purchase agreement the “**Seller 4 SPA**”);

Seller 1, Seller 2, Seller 3 and Seller 4 shall hereinafter be collectively referred to as the “**Group 1 Sellers**” and the Seller 1 SPA, the Seller 2 SPA, the Seller 3 SPA and the Seller 4 SPA shall hereinafter be collectively referred to as the “**Group 1 SPAs**”;

#### Group 2 SPAs

- (v) an agreement to purchase Equity Shares of the Target Company from Geraldton Finance Limited (“**Seller 5**” and such share purchase agreement the “**Seller 5 SPA**”);
- (vi) an agreement to purchase Equity Shares of the Target Company from Real India Invest Aktiengesellschaft (“**Seller 6**” and such share purchase agreement the “**Seller 6 SPA**”);

Seller 5 and Seller 6 shall hereinafter collectively be referred to as the “**Group 2 Sellers**” and the Seller 5 SPA and the Seller 6 SPA shall hereinafter be collectively referred to as the “**Group 2 SPAs**”;

#### Group 3 SPSHAs

- (vii) an agreement to purchase Equity Shares of the Target Company from Alfano Pte Limited (“**Seller 7**”) and setting out the inter se rights and obligations of the parties thereto (such share purchase cum shareholders agreement the “**SPSHA 1**”);
- (viii) an agreement to purchase Equity Shares of the Target Company from Deltron Pte Limited (“**Seller 8**”) and setting out the inter se rights and obligations of the parties thereto (such share purchase cum shareholders agreement the “**SPSHA 2**”);
- (ix) an agreement to purchase Equity Shares of the Target Company from Kunal Virenchee Sagar (“**Seller 9**”) and Rahul Virenchee Sagar (“**Seller 10**”) and setting out the inter se rights and obligations of the parties thereto (such share purchase cum shareholders agreement the “**SPSHA 3**”).

Seller 7, Seller 8, Seller 9 and Seller 10 shall hereinafter collectively be referred to as the “**Group 3 Sellers**” and the SPSHA 1, the SPSHA 2 and the SPSHA 3 shall hereinafter be collectively referred to as the “**Group 3 SPSHAs**”. The Group 3 Sellers shall sell Equity Shares under the Group 3 SPSHAs only if the number of Equity Shares validly tendered in the Open Offer is less than 21.79% of the Voting Share Capital;

#### Group 4 SPAs

- (x) an agreement to purchase Equity Shares of the Target Company from Nirja Kamani (“**Seller 11**”) (such share purchase agreement the “**Seller 7 SPA**”);
- (xi) an agreement to purchase Equity Shares of the Target Company from Dhanraj Kishor Bhagat (“**Seller 12**”) (such share purchase agreement the “**Seller 8 SPA**”);
- (xii) an agreement to purchase Equity Shares of the Target Company from Mala Gurbuxani and Maya Arjan Gurbuxani (“**Seller 13**”), Maya Arjan Gurbuxani and Nandita Gurbuxani (“**Seller 14**”), Maya Arjan Gurbuxani and Rhea Gurmeet Bawa (“**Seller 15**”) and Maya Arjan Gurbuxani (“**Seller 16**”) (such share purchase agreement the “**Seller 9 SPA**”);
- (xiii) an agreement to purchase Equity Shares of the Target Company from Gautam Rasiklal Ashra (“**Seller 17**”) (such share purchase agreement the “**Seller 10 SPA**”);
- (xiv) an agreement to purchase Equity Shares of the Target Company from Yashpal Kumar (“**Seller 18**”) (such share purchase agreement the “**Seller 11 SPA**”);
- (xv) an agreement to purchase Equity Shares of the Target Company from Brinda Kumar (“**Seller 19**”) (such share purchase agreement the “**Seller 12 SPA**”);
- (xvi) an agreement to purchase Equity Shares of the Target Company from Shashank Bhupatrai Kapadia (“**Seller 20**”) and Roopa Shashank Kapadia (“**Seller 21**”) (such share purchase agreement the “**Seller 13 SPA**”);
- (xvii) an agreement to purchase Equity Shares of the Target Company from Asheesh Vishnu Malaney (“**Seller 22**”) (such share purchase agreement the “**Seller 14 SPA**”);
- (xviii) an agreement to purchase Equity Shares of the Target Company from Moolam Thirunal Rama Varma (“**Seller 23**”) (such share purchase agreement the “**Seller 15 SPA**”);
- (xix) an agreement to purchase Equity Shares of the Target Company from Gouri Parvathi Bayi (“**Seller 24**”), Kumari Investment Corporation Private Limited (“**Seller 25**”) and Narayanan Investment Trust Private Limited (“**Seller 26**”) (such share purchase agreement the “**Seller 16 SPA**”); and
- (xx) an agreement to purchase Equity Shares of the Target Company from Narayanan Investment Trust Private Limited (“**Seller 27**”) (such share purchase agreement the “**Seller 17 SPA**”);

Sellers 11 to 27 shall hereinafter collectively be referred to as the “**Group 4 Sellers**” and the agreements listed in items (x) to (xx) shall hereinafter be collectively referred to as the “**Group 4 SPAs**”.

The Group 1 Sellers, Group 2 Sellers, Group 3 Sellers and Group 4 Sellers are hereinafter collectively referred to as the “**Sellers**”. The Group 1 SPAs, the Group 2 SPAs, the Group 3 SPSHAs and the Group 4 SPAs are hereinafter collectively referred to as the “**Agreements**”.

2. Pursuant to the Agreements as mentioned above, the Sellers 1 to 27 have agreed, subject to the terms and conditions set out in the Agreements, to sell, and the Acquirer has agreed to purchase, for cash, 36,512,176 Equity Shares, representing 40.52% of the Voting Share Capital (“**Sale Shares**”). The details of the Sale Shares being sold by each of the Sellers are set out below:

<b>Sellers</b>	<b>Number of Sale Shares</b>	<b>Percentage of issued and paid up share capital</b>
Maneesha Rahul Bhat (Seller 1)	1,329,750	1.48
Mallika Vir Advani (Seller 2)	1,329,751	1.48
Bilby Pte Limited (Seller 3)	923,201	1.02
Guildford Pte Limited (Seller 4)	923,201	1.02
Geraldton Finance Limited (Seller 5)	16,247,998	18.03
Real India Invest Aktiengesellschaft (Seller 6)	10,071,213	11.18
Alfano Pte Limited (Seller 7)*	923,201	1.02
Deltron Pte Limited (Seller 8)*	923,201	1.02
Kunal Virenchee Sagar (Seller 9)*	1,329,750	1.48
Rahul Virenchee Sagar (Seller 10)*	1,329,750	1.48
Nirja Kamani (Seller 11)	130,927	0.15
Dhanraj Kishor Bhagat (Seller 12)	20,640	0.02
Mala Gurbuxani and Maya Arjan Gurbuxani (Seller 13)	9,663	0.01
Maya Arjan Gurbuxani and Nandita Gurbuxani (Seller 14)	7,400	0.01
Maya Arjan Gurbuxani and Rhea Gurmeet Bawa (Seller 15)	3,500	0.00
Maya Arjan Gurbuxani (Seller 16)	5,900	0.01
Gautam Rasiklal Ashra (Seller 17)	208,200	0.23
Yashpal Kumar (Seller 18)	385,000	0.43
Brinda Kumar (Seller 19)	20,000	0.02
Shashank Bhupatrai Kapadia (Seller 20)	5,350	0.01
Roopa Shashank Kapadia (Seller 21)	50	0.00
Asheesh Vishnu Malaney (Seller 22)	9,309	0.01
Moolam Thirunal Rama Varma (Seller 23)	10,098	0.01
Gouri Parvathi Bayi (Seller 24)	20,073	0.02
Kumari Investment Corporation Private Limited (Seller 25)	109,209	0.12
Narayanan Investment Trust Private Limited (Seller 26)	22,303	0.02
Narayanan Investment Trust Private Limited (Seller 27)	213,538	0.24
<b>Total</b>	<b>36,512,176</b>	<b>40.52</b>

\* The Group 3 Sellers have agreed to sell 4,505,902 (Four Million Five Hundred and Five Thousand Nine Hundred and Two Only) Equity Shares in the Target Company, representing 5.00% of its Voting Share Capital subject to the terms and conditions set out in the Group 3 SPSHAs if the number of Equity Shares validly tendered in the Offer is less than 21.79% of the Voting Share Capital. In the event that Seller 7, Seller 8, Seller 9 and Seller 10 do not sell their Equity Shares in the Target Company to the Acquirer on account of the Equity Shares validly tendered in the Offer being more than 21.79% of the Voting Share Capital, they will continue as promoters of the Target Company along with the Acquirer.



3. The salient features of the Agreements have been set out in paragraphs 4 to 30 below.

### **Group 1 SPAs**

4. The Group 1 SPAs comprise of share purchase agreements executed by the Acquirer with Seller 1, Seller 2, Seller 3 and Seller 4. Pursuant to the Group 1 SPAs, the Acquirer has agreed to purchase 4,505,903 Equity Shares representing 5% of the Voting Share Capital (“**Group 1 Sale Shares**”) from the Group 1 Sellers for a per share price of INR 222.
5. The acquisition of Equity Shares from Seller 1 and Seller 2 is subject to the receipt of an approval in writing from the RBI on terms reasonably satisfactory to the Acquirer, Seller 1 and Seller 2 respectively, approving the sale and purchase of such Equity Shares in accordance with the terms of the Group 1 SPAs (including the per share price).
6. Further, the acquisition of the Group 1 Sale Shares is subject to the fulfillment or waiver of the condition (which is considered to be outside the reasonable control of the Acquirer) that no: (a) person having commenced any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the sale and purchase of any of the Group 1 Sale Shares as contemplated in the Group 1 SPAs; or (b) person, including any governmental authority, having enacted any applicable law which would prohibit, materially restrict or materially delay the sale and purchase of any of the Group 1 Sale Shares as contemplated in the Group 1 SPAs.
7. The acquisition of the Group 1 Sale Shares is also subject to the representations and warranties of the Acquirer under the Group 1 SPAs remaining true and correct. The representations and warranties primarily pertain to (i) the Acquirer’s valid formation and existence under applicable law; (ii) capacity and authority of the Acquirer to undertake the transactions contemplated in the Group 1 SPAs; (iii) validity of the Group 1 SPAs in view of applicable law and conformity with constitution documents of the Acquirer and/or any agreements to which it is party and any judgment/order that is binding on the Acquirer; (iv) sufficiency of funds for undertaking the Open Offer in accordance with the SEBI SAST Regulations; and (v) the Acquirer not being subject to an insolvency event.
8. In addition, the acquisition of Equity Shares from Seller 1 and Seller 2 is subject to Seller 1 and Seller 2 having delivered to the Acquirer a no-objection certificate under Section 281 of the Income Tax Act, 1961 issued in their favour by the relevant Indian tax authorities in respect of the sale of Equity Shares proposed to be sold to the Acquirer.
9. The sale and purchase of the Group 1 Sale Shares is subject to the fulfillment or waiver of the conditions precedent set out in the Group 1 SPAs. The Group 1 SPAs may be terminated if the sale and purchase of the Group 1 Sale Shares is not completed before the Long Stop Date. The Group 1 SPAs may also be terminated upon the occurrence of any of the following events:
  - (i) if the Open Offer is withdrawn by the Acquirer in accordance with the SEBI SAST Regulations, then automatically;
  - (ii) there being in effect any writ, judgment, injunction, decree or similar order of any governmental authority or any applicable law restraining or otherwise preventing consummation of any of the transactions contemplated by the Group 1 SPAs;
  - (iii) the representations and warranties of the Group 1 Sellers becoming untrue or incorrect. The representations and warranties primarily pertain to (i) the relevant Seller’s title to the Equity Shares held by them; (ii) capacity and authority of the Group 1 Sellers to undertake the transactions contemplated in the Agreement to which they are parties; (iii) validity of the Group 1 SPAs in view of applicable law and conformity with constitution

- documents of the Sellers and/or any agreements to which it is party and any judgment/order that is binding on the Sellers;
- (iv) the Group 1 Sellers having committed a material breach of any of the provisions of the Group 1 SPAs and/or having created any encumbrances over the Group 1 Sale Shares;
  - (v) the Equity Shares under the Group 1 SPAs not being sold to the Acquirer before the Long Stop Date;
  - (vi) non-completion of acquisition of Equity Shares by the Acquirer under atleast one of the Group 2 SPAs;
  - (vii) a written notice by any of the Group 1 Sellers to this effect: (i) upon the occurrence of a material breach by the Acquirer of any of the provisions of the Group 1 SPAs; and (ii) the Acquirer being subject to an insolvency event; and
  - (viii) a written notice by the Acquirer to this effect: (i) upon the occurrence of a material breach by the Group 1 Sellers of any of the provisions of the Group 1 SPAs; and (ii) any of the Group 1 Sellers being subject to an insolvency event.
10. In terms of the Group 1 SPAs, the parties have agreed that during the period between the Execution Date and the date of completion of the acquisition of the Group 1 Sale Shares:
- (i) the Group 1 Sellers shall neither transfer their respective Sale Shares nor create any encumbrance over the same; and
  - (ii) each of the Group 1 Sellers shall exercise: (A) their control as promoters of the Target Company; and (B) to the extent permitted under law, their voting rights at shareholders' meetings, in each case towards ensuring that the Target Company does not take any of the following actions without the written approval of the Acquirer or unless expressly permitted under the Group 1 SPAs:
    - (i) amendments to the memorandum and articles of association of the Target Company;
    - (ii) changes in the nature or scope of the business of the Target Company, including entering into new lines of business;
    - (iii) entering into any new contract or transaction which would be required to be reported in the Target Company's financial statements as a related party transaction, otherwise than on an arm's length basis;
    - (iv) entering into any joint ventures and partnerships or acquisition of any business or undertaking;
    - (v) declaring, making or paying any dividend or other similar distribution to the shareholders of the Target Company;
    - (vi) taking any action that would result in the issuance of any shares or securities of the Target Company to any person; and
    - (vii) selling, leasing or creating any other encumbrance on the Target Company's assets or on any material assets used in the business, other than in the ordinary course of business.

## **Group 2 SPAs**

11. The Group 2 SPAs comprise of share purchase agreements executed by the Acquirer with Seller 5 and Seller 6. Pursuant to the Group 2 SPAs, the Acquirer has agreed to purchase 26,319,211 Equity Shares representing 29.21% of the Voting Share Capital (“**Group 2 Sale Shares**”) from the Group 2 Sellers. The consideration for the Group 2 Sale Shares will be determined as follows:

- (i) if the number of Equity Shares validly tendered in response to the Offer is less than 19,640,990 Equity Shares constituting 21.79% of the Voting Share Capital, the Acquirer shall purchase the Group 2 Sale Shares at a price of INR 175 per Sale Share (the “**Minimum Purchase Price**”); and
- (ii) if the number of Equity Shares validly tendered in response to the Offer is 19,640,990 Equity Shares constituting 21.79% or more of the Voting Share Capital, the Acquirer shall purchase the Group 2 Sale Shares at a price of INR 222 per Sale Share (the “**Maximum Purchase Price**”).

In each case the Minimum Purchase Price and the Maximum Purchase Price will be gross of applicable tax.

12. The sale and acquisition of the Group 2 Sale Shares and the payment of consideration for the same is sought to be implemented through an escrow mechanism. In this regard, the Group 2 Sellers, the Acquirer and Kotak Mahindra Bank Limited have entered into an escrow agreement on December 23, 2014.

13. The acquisition of the Group 2 Sale Shares is also subject to the fulfillment or waiver of the following conditions under the Group 2 SPAs:

- (i) no: (a) person having commenced any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the sale and purchase; or (b) person, including any governmental authority, having enacted any applicable law which would prohibit, restrict or materially delay the sale and purchase
- (ii) there not being in effect any writ, judgment, injunction, decree or similar order of any governmental authority or any applicable law restraining or otherwise preventing consummation of any of the transactions contemplated by the Group 2 SPAs;
- (iii) the representations and warranties of the Group 2 Sellers remaining true and correct. The representations and warranties primarily pertain to (i) the relevant Seller’s title to the Equity Shares held by them; (ii) capacity and authority of the Group 2 Sellers to undertake the transactions contemplated in the Agreement to which they are parties; (iii) validity of the Group 2 SPAs in view of applicable law and conformity with constitution documents of the Sellers and/or any agreements to which it is party and any judgment/order that is binding on the Sellers;
- (iv) none of the Group 2 Sellers having committed a material breach of any of the provisions of the Group 2 SPAs and not having created any encumbrances over the Group 2 Sale Shares;
- (v) none of the Group 2 Sellers being subjected to any insolvency event;
- (vi) the Equity Shares under the Group 2 SPAs being sold to the Acquirer before the Long Stop Date;

- (vii) HDFC Limited having consented in writing to the Company approving the change in control of the Company on terms satisfactory to the Acquirer;
  - (viii) each of the Group 2 Sellers having delivered the satisfaction certificate in terms of their respective Group 2 SPAs confirming the satisfaction of the conditions precedent to be fulfilled by them;
  - (ix) the SEBI having given its comments on the DLoF filed in accordance with Regulation 16(4) of the SEBI SAST Regulations;
  - (x) the lock-in on 11,882,998 Equity Shares held by Seller 5 having lapsed and Seller 5 having become able to transfer the said Equity Shares held by it to the Acquirer in accordance with the terms of Seller 5 SPA;
  - (xi) the Acquirer not having committed a material breach of the provisions of the Group 2 SPAs;
  - (xii) the representations and warranties of the Acquirer under the Group 2 SPAs remaining true and correct. The representations and warranties primarily pertain to (a) the Acquirer's valid formation and existence under applicable law; (b) capacity and authority of the Acquirer to undertake the transactions contemplated in the Group 2 SPAs; (c) validity of the Group 2 SPAs in view of applicable law and conformity with constitution documents of the Acquirer and/or any agreements to which it is party and any judgment/order that is binding on the Acquirer; (d) sufficiency of funds for undertaking the Open Offer in accordance with the SEBI SAST Regulations; and (e) the Acquirer not being subject to an insolvency event; and
  - (xiii) no Material Adverse Change having occurred.
14. In addition, the acquisition of Equity Shares from Seller 5 is subject to Seller 5 having delivered a certificate from its assessing officer in accordance with Section 197 of the Income Tax Act, 1961 confirming the rate of withholding tax or confirming that no deduction of tax is required to be made or submit such documents and information set out in the Seller 5 SPA in a form and substance that is reasonably satisfactory to the Acquirer.
15. The sale and purchase of the Group 2 Sale Shares is subject to the fulfillment or waiver of the conditions precedent set out in the Group 2 SPAs. The Group 2 SPAs may be terminated if the sale and purchase of the Group 2 Sale Shares is not completed before the Long Stop Date. The Group 2 SPAs may also be terminated upon the occurrence of any of the following events:
- (i) if the Open Offer is withdrawn by the Acquirer in accordance with the SEBI SAST Regulations, then automatically;
  - (ii) a written notice being issued by any of the Group 2 Sellers to this effect: (i) upon the occurrence of a material breach by the Acquirer of any of the provisions of the Group 2 SPAs; and (ii) upon the Acquirer being subject to an Insolvency Event;
  - (iii) a written notice by the Acquirer to this effect: (i) upon the occurrence of a material breach by the Group 2 Sellers of any of the provisions of the Group 2 SPAs; and (ii) any of the Group 2 Sellers being subject to an insolvency event; and
  - (iv) occurrence of a Material Adverse Change, provided the Acquirer has not acquired any Equity Shares pursuant to the Open Offer pending fulfillment of the conditions precedent under the Group 2 SPAs.

16. In terms of the Group 2 SPAs, the parties have agreed that during the period between the Execution Date and the date of completion of the acquisition of the Group 2 Sale Shares:
- (i) the Group 2 Sellers shall neither transfer their respective Sale Shares nor create any encumbrance over the same; and
  - (ii) each of the Group 2 Sellers shall exercise their voting rights at shareholders' meetings towards ensuring that the Target Company does not take any of the following actions without the written approval of the Acquirer or unless otherwise permitted under the Group 2 SPAs:
    - (a) amendments to the memorandum and articles of association of the Target Company;
    - (b) entering into any new contract or transaction which would be required to be reported in the Target Company's financial statements as a related party transaction, otherwise than on an arm's length basis;
    - (c) entering into any joint ventures and partnerships or acquisition of any business or undertaking;
    - (d) declaring, making or paying any dividend or other similar distribution to the shareholders of the Target Company;
    - (e) availing of any borrowing, or creation or entering into an agreement to create any other indebtedness;
    - (f) selling, leasing or creating any encumbrances on the Target Company's assets or on any material assets used in the business, other than in the ordinary course of business;
    - (g) making any change in the nature or scope of the business, including entering into new lines of business;
    - (h) availing of any borrowing, or creating or entering into an agreement to create any other indebtedness;
    - (i) granting any loans or extending any guarantees, credit facilities or other security whatsoever to any persons, other than in the ordinary course of business; and
    - (j) taking any action that would result in the issuance of any shares or securities of the Target Company to any person.

### **Group 3 SPSHAs**

17. The Group 3 SPSHAs comprise of agreements to purchase Equity Shares of the Target Company from (i) Seller 7; (ii) Seller 8; and (iii) Seller 9 and Seller 10, and set out the inter se rights and obligations of the parties thereto. Pursuant to the Group 3 SPSHAs, the Acquirer has agreed to purchase 4,505,902 Equity Shares representing 5% of the Voting Share Capital ("**Group 3 Sale Shares**") from the Group 3 Sellers for a per share price of INR 222. The Group 3 Sellers will sell the Group 3 Sale Shares subject to the terms and conditions set out in the Group 3 SPSHAs if the number of Equity Shares validly tendered in the Offer is less than 21.79% of the Voting Share Capital.

18. The acquisition of Equity Shares from Seller 9 and Seller 10 is subject to the receipt of an approval in writing from the RBI on terms reasonably satisfactory to the Acquirer, approving the sale and purchase of such Equity Shares in accordance with the terms of the SPSHA 3 (including the per share price).
19. The acquisition of the Group 3 Sale Shares is also subject to the fulfillment of the conditions precedent under the Group 3 SPSHAs:
- (i) no: (a) person having commenced any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the sale and purchase; or (b) person, including any governmental authority, having enacted any applicable law which would prohibit, restrict or materially delay the sale and purchase
  - (ii) each of the Group 3 Sellers having delivered certified true copies of the statements issued by the depository participants with whom each Group 3 Seller holds depository accounts, evidencing the ownership of the Shares of each Group 3 Seller as of the date on which the Group 3 Sellers deliver their satisfaction certificate or 1 day prior to that;
  - (iii) there not being in effect any writ, judgment, injunction, decree or similar order of any governmental authority or any applicable law restraining or otherwise preventing consummation of any of the transactions contemplated by the Group 3 SPSHAs;
  - (iv) the representations and warranties of the Group 3 Sellers remaining true and correct. The representations and warranties primarily pertain to (i) the relevant Seller's title to the Equity Shares held by them; (ii) capacity and authority of the Group 3 Sellers to undertake the transactions contemplated in the Agreement to which they are parties; (iii) validity of the Group 3 SPSHAs in view of applicable law and conformity with constitution documents of the Sellers and/or any agreements to which it is party and any judgment/order that is binding on the Sellers;
  - (v) none of the Group 3 Sellers having committed a material breach of any of the provisions of the Group 3 SPSHAs and not having created any encumbrances over the Group 3 Sale Shares;
  - (vi) HDFC Limited having consented in writing to the Company approving the change in control of the Company on terms satisfactory to the Acquirer;
  - (vii) the SEBI having given its comments on the DLoF filed in accordance with Regulation 16(4) of the SEBI SAST Regulations;
  - (viii) the Acquirer not having committed a material breach of the provisions of the Group 3 SPSHAs; and
  - (ix) the representations and warranties of the Acquirer under the Group 3 SPSHAs remaining true and correct. The representations and warranties primarily pertain to (a) the Acquirer's valid formation and existence under applicable law; (b) capacity and authority of the Acquirer to undertake the transactions contemplated in the Group 3 SPSHAs; (c) validity of the Group 3 SPSHAs in view of applicable law and conformity with constitution documents of the Acquirer and/or any agreements to which it is party and any judgment/order that is binding on the Acquirer; (d) sufficiency of funds for undertaking the Open Offer in accordance with the SEBI SAST Regulations; and (e) the Acquirer not being subject to an Insolvency Event; and
  - (x) no Material Adverse Change having occurred.

20. In addition, the acquisition of Equity Shares from Seller 9 and Seller 10 is subject to Seller 9 and Seller 10 having delivered to the Acquirer a no-objection certificate under Section 281 of the Income Tax Act, 1961 issued in their favour by the relevant Indian tax authorities in respect of the sale of Equity Shares proposed to be sold to the Acquirer.
21. The sale and purchase of the Group 3 Sale Shares is subject to the fulfillment or waiver of the conditions precedent set out in the Group 3 SPSHAs. The Group 3 SPSHAs may be terminated if the sale and purchase of the Group 3 Sale Shares is not completed before the Long Stop Date. The Group 3 SPSHAs may also be terminated upon the occurrence of any of the following events:
- (i) if the Open Offer is withdrawn by the Acquirer in accordance with the SEBI SAST Regulations, then automatically;
  - (ii) if the Acquirer acquires the shares of the Group 3 Sellers pursuant to the Put Option, Call Option or other transfer restrictions contained in the Group 3 SPSHAs, the automatically; and
  - (iii) if the sale and purchase of the Group 3 Sale Shares is completed on the Completion Date in accordance with the provisions of the Group 3 SPSHAs.
22. In terms of the Group 3 SPSHAs, the parties have agreed that during the period between the Execution Date and the date of completion of the acquisition of the Group 3 Sale Shares, unless the Acquirer approves in writing or is otherwise permitted under the Group 3 SPSHAs, each of the Group 3 Sellers shall exercise: (i) their control as promoters of the Target Company and as directors, as the case may be; (ii) to the extent permitted under law, their voting rights as directors in meetings of the board of directors, where applicable; and (iii) their voting rights at shareholders' meetings, in each case towards accomplishing the following:
- (a) ensuring that the business of the Target is carried on as a going concern and in the ordinary course of business;
  - (b) ensuring that the Target Company shall not take any action with respect to the following matters:
    - i. amendments to the memorandum and articles of association of the Target Company;
    - ii. changes in the nature or scope of the business of the Target, including entering into new lines of business;
    - iii. entering into any new contract or transaction which would be required to be reported in the Target Company's financial statements as a related party transaction, otherwise than on an arm's length basis;
    - iv. entering into any joint ventures and partnerships or acquisition of any business or undertaking;
    - v. making any payments in relation to the business otherwise than in the ordinary course of business;
    - vi. declaring, making or paying any dividend or other similar distribution to the shareholders of the Target Company;

- vii. taking any action that would result in the issuance of any shares or securities of the Target Company to any person;
  - viii. entering into or termination of any contract, or modification of any contract in relation to the business, other than in the ordinary course of business;
  - ix. availing of any borrowing, or creation or entering into an agreement to create any other indebtedness;
  - x. granting of any loans or extension of any guarantees, credit facilities or other security whatsoever to any persons, other than in the ordinary course of business;
  - xi. writing off of any bad debts, other than in the ordinary course of business;
  - xii. changing the accounting policies of the Target Company except as required under law; and
  - xiii. selling, leasing or creating any other encumbrance on the Target Company's assets or on any material assets used in the business, other than in the ordinary course of business.
23. The Group 3 SPSHAs *inter alia* contain various shareholder related rights and obligations and, provisions pertaining to put option, call option, third party transfers, transfer restrictions, anti dilution rights, management of the Company, observer appointment, voting agreements and veto. The aforesaid rights and obligations will come into force only on the date of completion of the Offer if the acquisition of the Group 3 Sale Shares is not completed in accordance with the Group 3 SPSHAs and the other provisions of the Group 3 SPSHAs will come into force on the Execution Date. Group 3 SPSHAs are in compliance with notification dated October 03, 2013, issued by SEBI under Section 16 and Section 28 of the Securities Contracts (Regulation) Act, 1956. Some of the key terms of the Group 3 SPSHAs are set out below:
- (i) *Put Option*: During the period commencing from the 1st (first) anniversary of the Completion Date (or such earlier date as may be permissible under applicable law) and expiring on the 3rd (third) anniversary of the Completion Date (“**Put Option Period**”), each of the Group 3 Sellers can exercise the put option against the Acquirer, for the Equity Shares held by each of them as of the date of the Group 3 SPSHAs. The put option may be exercised in one or more tranches by the issuance of a put option notice. The number of Equity Shares forming the subject of a put option notice issued by any of the Group 3 Sellers, taken together with the Equity Shares that form the subject of a put option notice issued by any of the other Group 3 Sellers (“**Other Group 3 Sellers Shares**”), cannot exceed the maximum number of Promoter Shares which could be acquired by the Acquirer without triggering an open offer obligation on the Acquirer under the SEBI (SAST) Regulations. Further, none of the Group 3 Sellers can exercise the put option for such number of Equity Shares which, when taken together with the Other Group 3 Sellers Shares, is less than 901,180 Equity Shares. If the number of Equity Shares held by the Group 3 Sellers is less than 901,180 Equity Shares, then, all the Group 3 Sellers can collectively exercise the put option in respect of the balance number of Equity Shares held by the Group 3 Sellers, provided the purchase of such balance Equity Shares by the Acquirer does not trigger an open offer obligation on the Acquirer under the SEBI (SAST) Regulations.

The put option is exercisable at a price per Equity Share (“**Put Option Price**”) that is the higher of (i) INR 222 with suitable adjustments being made for corporate actions such as stock splits, consolidation and bonus issues undertaken by the Company (“**Sale Price**”); (ii) the price at which the Equity Shares are delisted, if the Equity Shares are delisted



during the Put Option Period; and (iii) Extension Price, which shall be applicable only for such number of Equity Shares in respect of which the Acquirer has extended the Put Option Period and Call Option Period.

If any of the Group 3 Sellers intimate the Acquirer during the Put Option Period of its intention to exercise the put option in respect of all the Equity Shares held by such Group 3 Seller but is unable to exercise the same on account of triggering an open offer obligation on the Acquirer under the SEBI (SAST) Regulations, then, the Put Option Period shall stand extended upto the later of (i) 30th day of June of the financial year immediately succeeding the 3rd (third) anniversary of the Completion Date; or (ii) such other time period within which the Acquirer can acquire such Equity Shares without having to make an open offer. The Acquirer cannot acquire any Shares from any Person during such extended Put Option Period if such acquisition adversely impacts the ability of the Group 3 Sellers to exercise the put option

**“Extension Price”** means the price (that is higher than the Sale Price) offered by the Group 3 Sellers to the Acquirer for sale of such number of Shares in respect of which the Acquirer has extended the Put Option Period and Call Option Period (as defined below), plus simple interest at the rate of 12% per annum calculated from the date the Group 3 Sellers made the offer till the date on which such Equity Shares are acquired by the Acquirer.

- (ii) *Call Option*: During the period commencing from the 1st (first) anniversary of the Completion Date (or such earlier date as may be permissible under applicable law) and expiring on the 3rd (third) anniversary of the Completion Date (**“Call Option Period”**), the Acquirer can exercise the call option against the Group 3 Sellers, in respect of 4,505,902 Equity Shares or such lower number of Equity Shares held by the Group 3 Sellers. The call option is exercisable at a price (**“Call Option Price”**) which is the higher of (i) the Sale Price; (ii) Average Market Price as on the date of issuance of the notice for the exercise of the call option; (iii) the price at which the Equity Shares are delisted, if the Equity Shares are delisted during the Call Option Period; and (iv) Extension Price, which shall be applicable only for such number of Equity Shares in respect of which the Acquirer has extended the Put Option Period and Call Option Period.

**“Average Market Price”** means the higher of: (a) the average of the weekly high and low of volume weighted average price of an Equity Share on the Stock Exchange during the 26 (twenty six) weeks prior to the date on which the Average Market Price is determined (**“Determination Date”**); and (b) the average of the weekly high and low of volume weighted average price of an Equity Share on the Stock Exchange during the 2 (two) weeks prior to the Determination Date, in each case excluding the Determination Date, with suitable adjustments being made for corporate actions such as stock splits, consolidation and bonus issues undertaken by the Company.

- (iii) *Delisting of Shares*: If a delisting application is approved by the board of directors of the Target Company in accordance with the provisions of Regulation 8(1)(a) of the SEBI Delisting Regulations within 6 (Six) months of the date on which the Acquirer acquired Equity Shares from the Group 3 Sellers pursuant to the exercise of a put option or a call option, following which the Equity Shares of the Target Company are delisted at a price that is the higher of (a) the Put Option Price in case the purchase of Equity Shares pursuant to exercise of put option was lower than the prevailing market price of such Equity Shares on the put option date and the purchase of Equity Shares was in accordance with the provisions governing the put option; or (b) the Call Option Price, in case the purchase of Equity Shares was in accordance with the provisions governing the call option, then, the Acquirer will pay the relevant Group 3 Sellers an amount equal to

the difference between the delisting price, on one hand, and the Put Option Price or Call Option Price, as the case may be.

- (iv) *Right of First Refusal:* If, at any time during the Put Option Period, any of the Group 3 Sellers are desirous of selling some or all of their Equity Shares at a price that is higher than the Put Option Price (“**Offer Price**”), they shall offer to the Acquirer such number of Equity Shares, which when taken together with the number of Equity Shares forming the subject of any offer notice issued by any of the other Group 3 Sellers, do not trigger an open offer obligation under the SEBI (SAST) Regulations (“**Offer Notice**”), which the Acquirer may accept or reject within 15 (fifteen) days of receipt of the Offer Notice, and which, if accepted, constitutes a valid legally binding enforceable agreement between the Acquirer and the Group 3 Sellers. If the Acquirer issues a rejection notice or does not respond within the stipulated 15 (fifteen) day period, the relevant Group 3 Sellers will have the right to sell the offered shares at a price that is equal to or higher than the Offer Price.

If, during the Put Option Period any of the Group 3 Sellers issues an Offer Notice for such number of Equity Shares, which when taken together with Equity Shares forming the subject of any offer notice issued by any of the other Group 3 Sellers, exceeds the maximum permissible Equity Shares which could be acquired by the Acquirer without triggering an open offer obligation under the SEBI (SAST) Regulations, then, the Acquirer may (i) (a) purchase only such number of Equity Shares that do not trigger an obligation to make an open offer under the SEBI (SAST) Regulations; and (b) extend the Put Option Period in respect of the remaining Equity Shares forming the subject of the Offer Notice for a period of 3 (three) months from the date on which the Acquirer can acquire such remaining Equity Shares without triggering an obligation to make an open offer under the SEBI (SAST) Regulations; or (ii) choose not to purchase any of the Equity Shares offered under the Offer Notice. If the Acquirer chooses to purchase the Equity Shares pursuant to sub-paragraph (i) above, the Call Option Period shall be simultaneously extended for a period of 3 months from the date of which the Purchaser can acquire the remaining Equity Shares without triggering an obligations to make an open offer under the SEBI (SAST) Regulations.

- (v) *Group 3 Sellers’ restrictions:* (i) The Group 3 Sellers cannot directly or indirectly transfer any of their shares (or any interest therein) in the Company other than as contemplated in the Group 3 SPSHAs (including pursuant to the provisions of right of first refusal and transfers to affiliates); (ii) The Group 3 Sellers cannot create any encumbrance over any of the shares held by them, provided that if any of the Group 3 Sellers wish to create an encumbrance over any of the shares held by them, the Group 3 Sellers may enter into good faith discussions with the Acquirer; (iii) None of the Group 3 Sellers can, directly or indirectly, acquire any shares without the prior consent of the Acquirer, provided that the Group 3 Sellers may acquire shares (a) from its affiliates; and (b) under the provisions governing anti dilution rights (see sub-paragraph (vii) below); (iv) Seller 9 shall not transfer any shares in Seller 7 and Seller 7 cannot permit the transfer of any of such shares; and (v) Seller 10 cannot transfer any shares in Seller 8 and Seller 8 shall not permit the transfer of any of such shares.
- (vi) *Acquirer Restrictions:* The Acquirer may, in its sole discretion and either directly or indirectly and from time to time and either by itself or through persons acting in concert, acquire such number of Equity Shares that does not exceed 2.5% of the Voting Share Capital during each of the following periods: (a) from the first anniversary of the Completion Date till the second anniversary of the Completion Date; and (b) from the second anniversary of the Completion Date till the third anniversary of the Completion Date.

- (vii) *Anti Dilution*: If the Target Company proposes to issue new Equity Shares to any person (“**Proposed Allottee(s)**”), then the Group 3 Sellers (“**Beneficiary**”) shall be entitled to participate in such issuance in proportion to their shareholding at the price proposed by the Target Company (“**Proposed Issue**”). If the Beneficiary decides to subscribe to all the Equity Shares in the Proposed Issue, they shall be issued in accordance with the stipulated terms upon receipt of consideration. If the Beneficiary decides to subscribe to only a part of the Proposed Issue, then the Company may offer the remaining Equity Shares (“**Remaining Issuance**”) to the Proposed Allottee(s) of the Equity Shares on the same terms, provided that inter alia the price per Equity Share is not less than the original price quoted by or on terms that are more favourable than the terms originally proposed by, the Target Company. If such Proposed Allottee(s) do not subscribe to the remaining Equity Shares, the Beneficiary may elect, at their sole discretion, to acquire the unsubscribed portion of the Remaining Issuance at the original price quoted by the Target Company.
- (viii) *Acquirer’s representation on the board of directors*: (i) The Acquirer has the right to nominate 2 (two) non-executive directors (“**Nominee Director**”) for appointment to the board of directors of the Target Company. They will not be involved in the day-to-day management of the Target. The Acquirer may remove the director nominated by it by way of a written notice. The Group 3 Sellers will exercise their voting rights in the Target Company to effectuate such appointment or removal of the Nominee Director.
- (ix) *Acquirer’s right to appoint an observer*: The Acquirer has the right to nominate one or more observers (“**Observers**”) to attend the meetings of the board of directors or their committees of the Target Company. These Observers will be provided access to all the documents relating to such meetings and have a right to speak (but not vote) in such meetings.
- (x) *Group 3 Sellers’ representation on the board of directors*: So long as the Group 3 Sellers collectively hold at least 5% of the Voting Share Capital, the Group 3 Sellers shall be entitled to jointly nominate for appointment Mr. Kunal Sagar and Mr. Rahul Sagar, as directors to the board of directors of the Target Company provided that if either of Mr. Kunal Sagar or Mr. Rahul Sagar were to cease to be directors of the Target Company, then the Group 3 Sellers shall be entitled to nominate for appointment only 1 (one) director (including the existing director). So long as the Group 3 Sellers collectively hold at least 2.5% of the Voting Share Capital, the Group 3 Sellers shall be entitled to jointly nominate one director to the board of the Target Company. Provided further that if the Group 3 Sellers collectively hold less than 2.5% of the Voting Share Capital, then the Group 3 Sellers shall not be entitled to nominate any directors for appointment on the board of the Target Company.
- (xi) *Voting Arrangements*: The voting arrangements between the Acquirer and Group 3 Sellers require the Group 3 Sellers to exercise all their voting rights in relation to any special resolution of the Target Company in accordance with the written instructions from the Acquirer, provided such instructions are not contrary to the terms of the Group 3 SPSHAs. The Group 3 Sellers and the Acquirer will also vote their Equity Shares in favour of any amendment of articles of association of the Target Company required in accordance with the terms of the Group 3 SPSHAs.
- (xii) *Veto Rights*: No action or decision can be taken by the Target Company in relation to any of the reserved matters unless such matter has been approved by (a) at least one nominee director appointed by the Acquirer (only if such director has been appointed) if such matter is considered before the board of directors; or (b) the authorized representative of the Acquirer, if such matter is considered at a meeting of the shareholders. The reserved matters are: (i) payment of interim dividend; (ii) appointment and removal of the internal

auditors; (iii) any change to the accounting policies; (iv) acquisition or investment in the securities or interests of any person (including incorporation of subsidiaries of the Target) or the disposal or divestment in the securities or interests of any person; (v) the appointment, removal and conditions of employment of the company secretary, directors or any other key managerial person; (vi) the cessation or commencement of any business operation; (vii) the adoption of and amendment to any business plan or budget; (viii) acquisition or disposal of any assets; (ix) the entry into, or variation, or waiver of any breach of, or discharge of any liability under, or terminating, any contract or arrangement (whether legally binding or not) with a shareholder or any of its related parties; (x) the creation of any charge or other security over any assets or property of the Target or any of its subsidiaries or the giving of any guarantee or indemnity other than in the normal course of its business; (xi) the commencement or settlement of any litigation, arbitration or other proceedings which are material in the context of the Target's business involving amounts in excess of Rs. 3,00,00,000 (Rupees Three Crores); (xii) the provision of any credit, or the making of any loan or advance to, or for, any shareholder, director, officer, employee or to any person, other than by way of deposit of moneys other than in the ordinary course of business of which includes the acceptance of deposits, or on normal trade credit terms or to employees of the Target in accordance with arrangements as approved by the board of directors; (xii) the entry into of any contract or commitment not provided for in the budget under which the Target may incur costs or liability of (a) INR 50,00,000 (Rupees Fifty Lakhs Only) or more, or (b) taken together with other contracts or commitments not provided for in the budget, INR 1,00,00,000 (Rupees One Crore Only) or more, or which may not be fulfilled or completed within one year; (xiii) the operation of any account(s) in banks or financial institutions, and the appointment of authorised signatories to such account(s); and (xiv) entering into any agreement or understanding in relation to any of the foregoing.

- (xiii) *Property Management Functions*: The parties to the Group 3 SPSHAs intend that the property management functions of the Target Company will be outsourced to a new company(ies) (“**MSC**”) incorporated by the Group 3 Sellers after the completion of the Group 3 SPSHAs. Subject to receipt of all necessary corporate authorisations and regulatory approvals (if required), the MSC shall service and provide the Target Company with property/project and other management services. Towards this objective, it is intended that the employees of the Target Company involved in such services shall be transferred to the MSC. The MSC shall make offers of employment to the employees of the Target Company on terms that are no less favourable than those being offered by the Target Company to each of its employees. The parties further intend that the Group 3 Sellers shall cause the MSC to enter into project management agreements with the Target Company within six months from the date of completion under the Group 3 SPSHAs.

#### **Group 4 SPAs**

24. Group 4 SPAs comprise of share purchase agreements executed by the Acquirer with (i) Seller 11; (ii) Seller 12; (iii) Seller 13, Seller 14, Seller 15 and Seller 16; (iv) Seller 17; (v) Seller 18; (vi) Seller 19; (vii) Seller 20 and Seller 21; (viii) Seller 22; (ix) Seller 23; (x) Seller 24, Seller 25 and Seller 26; and (xi) Seller 27. Pursuant to the Group 4 SPAs, the Acquirer has agreed to purchase 1,181,160 Equity Shares representing 1.31% of the Voting Share Capital (“**Group 4 Sale Shares**”) from the Group 4 Sellers for a per share price of INR 222.
25. The acquisition of Equity Shares from Sellers 11 to 27 is subject to the receipt of an approval in writing from the RBI on terms reasonably satisfactory to the Acquirer and the Group 4 Sellers respectively, approving the sale and purchase of such Equity Shares in accordance with the terms of the Group 4 SPAs (including the per share price).

26. Further, the acquisition of the Group 4 Sale Shares is subject to the fulfillment or waiver of the condition (which is considered to be outside the reasonable control of the Acquirer) that no: (i) person having commenced any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the sale and purchase of any of the Group 4 Sale Shares as contemplated in the Group 4 SPAs; or (ii) person, including any governmental authority, having enacted any applicable law which would prohibit, restrict or materially delay the sale and purchase of the any of the Group 4 Sale Shares as contemplated in the Group 4 SPAs.
27. The acquisition of the Group 4 Sale Shares is also subject to the representations and warranties of the Acquirer under the Group 4 SPAs remaining true and correct. The representations and warranties primarily pertain to (a) the Acquirer's valid formation and existence under applicable law; (b) capacity and authority of the Acquirer to undertake the transactions contemplated in the Group 4 SPAs; (c) validity of the Group 4 SPAs in view of applicable law and conformity with constitution documents of the Acquirer and/or any agreements to which it is party and any judgment/order that is binding on the Acquirer; (d) sufficiency of funds for undertaking the Open Offer in accordance with the SEBI SAST Regulations; and (e) the Acquirer not being subject to an Insolvency Event.
28. In addition, the acquisition of Equity Shares (i) from Seller 18 is subject to Seller 18 having obtained an original share certificate from the Company in respect of the ownership of 25,000 Sale Shares held by him in physical form, which original share certificate shall reflect his name as 'Yashpal Kumar'; and (ii) from Seller 20, Seller 21, Seller 23, Seller 25 and Seller 26 is subject to the Target Company having issued replacement original share certificates to them individually evidencing their ownership of their respective Equity Shares.
29. The sale and purchase of the Group 4 Sale Shares is subject to the fulfillment or waiver of the conditions precedent set out in the Group 4 SPAs. The Group 4 SPAs may be terminated if the sale and purchase of the Group 4 Sale Shares is not completed before the Long Stop Date. The Group 4 SPAs may also be terminated upon the occurrence of any of the following events:
- (i) there being in effect any writ, judgment, injunction, decree or similar order of any governmental authority or any applicable law restraining or otherwise preventing consummation of any of the transactions contemplated by the Group 4 SPAs;
  - (ii) the representations and warranties of the Group 4 Sellers becoming untrue and/or incorrect. The representations and warranties primarily pertain to (i) the relevant Seller's title to the Equity Shares held by them; (ii) capacity and authority of the Group 4 Sellers to undertake the transactions contemplated in the Agreement to which they are parties; (iii) validity of the Group 4 SPAs in view of applicable law and conformity with constitution documents of the Sellers and/or any agreements to which it is party and any judgment/order that is binding on the Sellers;
  - (iii) the Group 4 Sellers having committed a material breach of any of the provisions of the Group 4 SPAs and/or having created any encumbrances over the Group 4 Sale Shares;
  - (iv) the non-completion of acquisition of Equity Shares by the Acquirer under atleast one of the Group 2 SPAs;
  - (v) if the Open Offer is withdrawn by the Acquirer in accordance with the SEBI SAST Regulations, then automatically;

- (vi) a written notice by any of the Group 4 Sellers to this effect: (i) upon the occurrence of a material breach by the Acquirer of any of the provisions of the Group 4 SPAs; and (ii) the Acquirer being subject to an insolvency event;
  - (vii) a written notice by the Acquirer to this effect: (i) upon the occurrence of a material breach by the Group 4 Sellers of any of the provisions of the Group 4 SPAs; and (ii) any of the Group 4 Sellers being subject to an insolvency event; and
  - (viii) upon the termination of both of the Group 2 SPAs and a written notice being issued by any of the parties to this effect.
30. In terms of the Group 4 SPAs, the parties have agreed that during the period between the Execution Date and the date of completion of the acquisition of the Group 4 Sale Shares, the Group 4 Sellers shall neither transfer their respective Sale Shares nor create any encumbrance over the same.
  31. Other than the transactions detailed in Part II (A) (*Background to the Offer*) above, which have triggered this Offer, pursuant to which the Acquirer shall acquire Equity Shares in the Target Company, as of the date of this Letter of Offer, the Acquirer, its directors and its key managerial employees do not hold any ownership/ interest/ relationship/ shares in the Target Company.
  32. Neither the Acquirer nor the Sellers have been prohibited by SEBI from dealing in securities, pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
  33. The Acquirer reserves the right to seek reconstitution of the board of directors of the Target Company during the pendency of the Open Offer, in accordance with the Agreements and provisions contained in the SEBI (SAST) Regulation and the Companies Act, 2013. However, as of the date of the LoF, the Acquirer has not made any decision on the reconstitution of the Board of Directors of the Target Company and no persons have been identified for such nomination.
  34. As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the board of directors of the Target Company is required, upon receipt of the Detailed Public Statement, to constitute a committee of independent directors to provide their reasoned recommendations on the Offer. The reasoned recommendations are required to be published in the same newspapers in which the Detailed Public Statement was published by no later than 16 March, 2015, and simultaneously a copy of such recommendations is required to be sent to SEBI, the Stock Exchange and to the Managers.

## **B. Details of the Proposed Offer**

1. The Public Announcement in connection with the Offer was made on December 23, 2014 to the BSE Limited and a copy thereof was also filed with SEBI, the BSE Limited and the Target Company at its registered office. A corrigendum to the Public Announcement dated December 30, 2014 was also filed with SEBI, the BSE Limited and the Target Company at its registered office.
2. The Detailed Public Statement was published on December 31, 2014 in The Financial Express (all editions), Jansatta (all editions) and Navshakti (Mumbai edition). A copy of the PA, Corrigendum to the PA and Detailed Public Statement are also available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

3. This Offer is being made by the Acquirer to all Public Shareholders, to acquire up to 25,600,000 Equity Shares (“**Offer Shares**”) representing 28.41% of the Voting Share Capital, at an offer price of INR 222 (Rupees Two Hundred and Twenty Two Only) per Offer Share (“**Offer Price**”) aggregating to a total consideration of INR 5,683,200,000 (Rupees Five Billion Six Hundred and Eighty Three Million Two Hundred Thousand Only) (“**Offer Size**”) (“**Maximum Open Offer Consideration**”). As of the date of this LoF, there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Managers to the Offer.
4. The acquisition of the Offer Shares from NRIs and erstwhile OCBs, if any, is subject to the approval or exemption from the RBI. Where any such statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer. The Acquirer had submitted an application to the RBI dated 4 February, 2015, seeking its approval for the acquisition of the Offer Shares from NRIs and OCBs, as may be required, under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. The RBI vide its letter dated 24 February, 2015, inter-alia conveyed its ‘no-objection’ in respect of acquisition of i) up to 916,074 Equity Shares under the Offer from those NRI shareholders who held such Equity Shares as at 31 December, 2014 (“**Identified NRIs**”), subject to the condition that the sale proceeds of the Offer Shares held by NRIs on non-repatriable basis may be credited to the NRO account of the respective NRI and the transaction is reported in form FC-TRS and ii) up to 450 Equity Shares from the erstwhile OCB, M/s Indo Mauritian Investment Corp. Ltd. The RBI has further directed that if any shares are tendered by M/s Millenium Ltd., erstwhile OCB, the shareholder may be advised to approach the OCB Desk, Foreign Investment Division, Foreign Exchange Department, Reserve Bank of India, Central Office, Mumbai, for specific prior approval for acquisition of the shares by the Acquirer. Notwithstanding the RBI approval received by the Acquirer for the Identified NRIs, any other NRI shareholder may also choose to apply for all requisite approvals required to tender their respective Offer Shares and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to be tendered to accept the Open Offer as mentioned in the Letter of Offer (“**Supporting Documents**”). In the event such approvals and Supporting Documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in the Open Offer.
5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Offer:
  - a. if the regulatory approvals (whether in relation to the acquisition of Equity Shares under the Agreements or in relation to the Offer Shares) in Part VI (*Statutory and Other Approvals*) or those which become applicable prior to completion of the Offer are not received; or
  - b. in the event of any:
    - i. person having commenced any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the sale and purchase of any of the Sale Shares; or

- ii. person, including any governmental authority, having enacted any applicable law which would prohibit, restrict or materially delay the sale and purchase of any of the Sale Shares; or
- c. upon the occurrence of a Material Adverse Change for the purpose of the Open Offer.

To the best of the knowledge of the Acquirer, as on the date of this Letter of Offer: (i) no person has commenced any proceedings or investigation for the purpose of prohibiting or otherwise challenging or interfering with the sale and purchase of any of the Sale Shares; (ii) no person, including any governmental authority, has enacted any applicable law which would prohibit, restrict or materially delay the sale and purchase of the any of the Sale Shares.

Withdrawal of the Offer pursuant to this clause would be subject to the approval of SEBI under 23(1)(d) of the SEBI (SAST) Regulations. In the event of such withdrawal, the same would be notified, in accordance with Regulation 23 of the SEBI (SAST) Regulations by way of a public announcement in the same newspapers in which the Detailed Public Statement had appeared and SEBI, the Stock Exchange and the Target Company would simultaneously be informed in writing (in the case of the Target Company, at its registered office).

6. The Offer Price may be subject to revisions pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last three Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
7. There are no partly paid-up Equity Shares in the share capital of the Target Company.
8. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders of the Target Company and is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. Further, there is no differential price being offered for the Equity Shares tendered in this Offer.
9. Other than the transactions detailed in Part II (A) (*Background to the Offer*) above, which have triggered this Offer, pursuant to which the Acquirer shall acquire Equity Shares in the Target Company, as on the date of this LoF, the Acquirer, its directors, and its key managerial employees do not hold any ownership/ interest/ relationship/shares in the Target Company. The provisions of chapter V of the SEBI (SAST) Regulations are therefore not applicable.
10. Pursuant to the Offer (assuming full acceptance of the Offer), the public shareholding in the Target shall not fall below the minimum public shareholding requirement for continuous listing under clause 40A of the Listing Agreement and rule 19A of the SCRR. In the event the public shareholding falls below 25% of the Voting Share Capital pursuant to this Offer, the Acquirer shall, within the time prescribed in the SCRR, bring down the non-public shareholding in the Target Company to the level specified in the Listing Agreement and the SCRR.
11. The Equity Shares will be acquired by the Acquirer fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
12. The Managers to the Open Offer shall not deal on their own account in the Equity Shares of the Target Company during the offer period.



### C. Object of the Acquisition / Offer

1. The Acquirer acknowledges the significant potential offered by industrial parks in India and the proposed transaction and the Offer is in-line with the Acquirer's strategy to invest in such long term assets. The Acquirer believes that the Target Company presents an attractive investment opportunity to get exposure to a stable income generating asset in India. The Acquirer will also explore the redevelopment of existing older properties in compliance with all applicable regulations. This may impact the income potential of these properties in the future.
2. Depending on appropriate market conditions and subject to a conducive regulatory environment in India, the Acquirer may explore the possibility of delisting the Equity Shares of the Target Company in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009 and any other applicable regulations.
3. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer has no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or of its subsidiaries or of entities controlled by the Target Company during the period of two years following the completion of the Offer except:
  - (i) in the ordinary course of business; or
  - (ii) on account of compliance with any applicable law; or
  - (iii) in terms of the Group 3 SPSHAs, it is intended that, after completion of the transactions contemplated thereunder, the property management functions of the Target Company will be outsourced to a new company(ies) ("**MSC**") incorporated by the Group 3 Sellers. Subject to receipt of all necessary corporate authorisations and regulatory approvals (if required), the MSC shall service and provide the Target Company with property/project management services and other management services. Towards this objective, it is intended that the employees of the Target Company involved in such services shall be transferred to the MSC. The MSC shall make offers of employment to the employees of the Target Company on terms that are no less favourable than those being offered by the Target Company to each of its employees. The parties further intend that the Group 3 Sellers shall cause the MSC to enter in project management agreements with the Target Company within six months from the date of completion under the Group 3 SPSHAs.
4. Subject to paragraph 3 above, if the Acquirer intends to alienate any material asset of the Target Company or its subsidiaries, within a period of two years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per proviso to Regulation 25(2) of SEBI (SAST) Regulations.

### III. BACKGROUND OF THE ACQUIRER

#### ACQUIRER – Reco Berry Private Limited

1. The Acquirer, a private company limited by shares, was incorporated on January 18, 2006 under the laws of Singapore (Company Registration number: 200600826G). Its registered office is situated at 168 Robinson Road, #37-01, Capital Tower, Singapore 068912, Tel: +65 6889 8888, Fax: +65 6889 6878. Company Secretary: Tay Soo Eng. There has been no change in name of the Acquirer since its incorporation. There is no person acting in concert with the Acquirer for the purpose of the Offer.
2. The principal activity of the Acquirer is to carry on the business of an investment company and to undertake all kinds of investment business.
3. The issued and paid-up capital of the Acquirer is 242,000,002 ordinary shares of SGD 1.00 each. The shares of the Acquirer are not listed on any stock exchange as of the date of this LoF.
4. The Acquirer is controlled and 100% owned by Recosia Private Limited, which is a wholly owned subsidiary of GIC (Realty) Private Limited (“GICR”) (formerly known as Government of Singapore Investment Corporation (Realty) Private Limited). GICR is 100% owned by Minister for Finance, a statutory body corporate established under the Minister for Finance (Incorporation) Act (Chapter 183) of the Singapore Statutes to own and administer assets of the Government of Singapore. Recosia Private Limited and GICR are private limited companies incorporated under the laws of Singapore.
5. Recosia Private Limited is an asset holding company for real estate investments managed by GIC Real Estate, the real estate investment arm of GIC Private Limited (“GIC”). GIC is a private company wholly owned by the Government of Singapore and set up to act as fund manager to manage the foreign reserves on behalf of the Government of Singapore. GIC invests well over US\$100 billion internationally in a wide range of asset classes and instruments.
6. The details of the directors on the board of directors of the Acquirer are provided below:

Details	Qualifications & Experience
Name: Loh Wai Keong	Mr LOH Wai Keong is Managing Director & Co-Head (Asia) of GIC Real Estate, the real estate investment arm of GIC Private Limited.
DIN: Not applicable	Mr Loh has more than 20 years of experience in both public and private sectors. Starting his career in the Singapore government service, he held senior positions in the Singapore Armed Forces and Ministry of Defence. He also served as Deputy Permanent Secretary (Trade) in the Ministry of Trade & Industry.
Date of appointment: September 20, 2013	Mr Loh’s private sector experience includes real estate investment, project development, asset management and real estate fund management. He first joined CapitaLand Group - one of Asia’s largest real estate companies based in Singapore, and a leading integrated real estate developer and fund manager in the region. Mr Loh held the position of Country Head (India) with CapitaMalls Asia and managed the CapitaRetail India Development Fund, a private equity fund set up to acquire and develop a portfolio of retail malls in India.
Designation: Director	Before joining GIC, Mr Loh was Chief Executive Officer (South East Asia) of Ascendas, a leading real estate business solutions provider in Asia. He

Details	Qualifications & Experience
	<p>was concurrently Executive Vice President (Development and Investment), responsible for the management of Ascendas' regional investment portfolio and development of key projects in Asia.</p> <p>Mr Loh graduated from Oxford University (United Kingdom) with a Bachelor's Degree (1st Class Honours) in Mathematics in 1987. He also received a Master in Business Administration from Sloan School of Management, Massachusetts Institute of Technology (USA) in 1999.</p>
<p>Name: Low Tien Loon</p> <p>DIN: Not applicable</p> <p>Date of appointment: October 21, 2014</p> <p>Designation: Director</p>	<p>Mr Low Tien Loon is the Senior Vice President, Finance of GIC Private Limited.</p> <p>Mr Low joined GIC Private Limited in 1998 and looks after the financing activities for the real estate portfolio globally. Prior to joining GIC Private Limited, Mr Low was an Assistant Manager with Tokai Bank Limited, Singapore Branch.</p> <p>Mr Low graduated with a Bachelor of Business Degree (Honours) from the Nanyang Technological University in 1995.</p>

7. None of the directors of the Acquirer are directors on the Board of Directors of the Target Company.
8. The Acquirer does not directly or indirectly hold any shares in the Target Company and hence the provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company are not applicable.
9. Other than the transactions detailed in Part II (A) (*Background to the Offer*) above, which have triggered this Offer, pursuant to which the Acquirer shall acquire Equity Shares in the Target Company, as on the date of this LoF, the Acquirer, its directors, and its key managerial employees do not hold any ownership/ interest/ relationship/shares in the Target Company. The provisions of chapter V of the SEBI (SAST) Regulations are therefore not applicable.
10. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
11. The Acquirer's key financial information based on its audited standalone financial statements as of and for the financial years ended March 31, 2012, March 31, 2013 and March 31, 2014 audited by PricewaterhouseCoopers LLP, the statutory auditors of the Acquirer, and its interim unaudited standalone financial statements as of and for three months ended June 30, 2014, which have been subject to limited review based on the Singapore Standard on Review Engagements ("SSRE") 2410 by PricewaterhouseCoopers LLP, are as follows:

### Statement of Comprehensive Income

Particulars	As at and for financial year ended March 31, 2012		As at and for financial year ended March 31, 2013		As at and for financial year ended March 31, 2014		As at and for 3 months period ended June 30, 2014	
	(USD '000)	(INR m)	(USD '000)	(INR m)	(USD '000)	(INR m)	(USD '000)	(INR m)
Income from operations	0	0	0	0	3,179	202	0	0
Other Income	0	0	0	0	0	0	0	0
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,179</b>	<b>202</b>	<b>0</b>	<b>0</b>
Total Expenditure	7	0	3	0	11	1	2	0
<b>EBITDA</b>	<b>(7)</b>	<b>0</b>	<b>(3)</b>	<b>0</b>	<b>3,168</b>	<b>201</b>	<b>(2)</b>	<b>0</b>
Interest	178	11	162	10	125	8	0	0
<b>Profit/(Loss) Before Tax</b>	<b>(185)</b>	<b>(12)</b>	<b>(165)</b>	<b>(10)</b>	<b>3,043</b>	<b>193</b>	<b>(2)</b>	<b>0</b>
Provision for Tax	0	0	0	0	0	0	0	0
<b>Profit/(Loss) After Tax</b>	<b>(185)</b>	<b>(12)</b>	<b>(165)</b>	<b>(10)</b>	<b>3,043</b>	<b>193</b>	<b>(2)</b>	<b>(0)</b>

### Balance Sheet Statement

Particulars	As at March 31, 2012		As at March 31, 2013		As at March 31, 2014		As at June 30, 2014	
	(USD '000)	(INR m)	(USD '000)	(INR m)	(USD '000)	(INR m)	(USD '000)	(INR m)
<i>Sources of funds</i>								
Paid up share capital	0	0	0	0	0	0	0	0
Reserves and Surplus	831	53	666	42	3,709	235	3,707	235
<b>Networth<sup>(1)</sup></b>	<b>831</b>	<b>53</b>	<b>666</b>	<b>42</b>	<b>3,709</b>	<b>235</b>	<b>3,707</b>	<b>235</b>
Unsecured loans <sup>(2)</sup>	6,296	399	6,458	410	1,578	100	1,578	100
<b>Total</b>	<b>7,127</b>	<b>452</b>	<b>7,124</b>	<b>452</b>	<b>5,287</b>	<b>335</b>	<b>5,285</b>	<b>335</b>
<i>Uses of funds</i>								
Investments <sup>(3)</sup>	15	1	15	1	0	0	0	0
Net current assets <sup>(4)</sup>	7,112	451	7,109	451	5,287	335	5,285	335
<b>Total</b>	<b>7,127</b>	<b>452</b>	<b>7,124</b>	<b>452</b>	<b>5,287</b>	<b>335</b>	<b>5,285</b>	<b>335</b>

### Other financial data

Particulars	For financial year ended March 31, 2012		For financial year ended March 31, 2013		For financial year ended March 31, 2014		For 3 months period ended June 30, 2014	
	(USD '000)	(INR m)	(USD '000)	(INR m)	(USD '000)	(INR m)	(USD '000)	(INR m)
Dividend (%)	0%	0%	0%	0%	0%	0%	0%	0%

Particulars	For financial year ended March 31, 2012		For financial year ended March 31, 2013		For financial year ended March 31, 2014		For 3 months period ended June 30, 2014	
	(USD '000)	(INR m)	(USD '000)	(INR m)	(USD '000)	(INR m)	(USD '000)	(INR m)
Earnings/(Loss) per share	(93)	(6)	(82)	(5)	1,522	97	(1)	(0)

Notes:

1. Total shareholders' equity
2. Loan from immediate holding company; Also includes the interest payable to the immediate holding company which is not secured and is repayable on demand
3. Investments in joint venture company
4. Non-trade amount due from immediate holding company less accrued expenses

Note: Since the financial statements of the Acquirer are prepared in United States Dollars ("USD"), the functional currency of the Acquirer, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 63.4475 as on December 23, 2014, the date of the PA (Source: RBI).

The standalone financial information set forth above (with the exception of earnings/(loss) per share ("EPS"), see note below) has been extracted from the audited standalone financial statements of the Acquirer as of and for years ended March 31, 2012, March 31, 2013 and March 31, 2014 prepared in accordance with Singapore Financial Reporting Standards and audited by PricewaterhouseCoopers LLP. The interim standalone financial information set forth above for the three months ended June 30, 2014 has been extracted from the unaudited condensed financial statements prepared in accordance with Singapore Financial Reporting Standards, which have been subject to limited review based on SSRE 2410 by PricewaterhouseCoopers LLP, the statutory auditors of the Acquirer.

EPS has been calculated for the purpose of this LoF as the profit/(loss) after tax for the period divided by the number of ordinary shares outstanding as at the balance sheet date of the relevant period. EPS is not disclosed in either the audited standalone financial statements of the Acquirer or its unaudited interim financial statements.

12. The Acquirer does not have any contingent liabilities as disclosed in its financial statements for the year ended 31 March 2014.
13. Status of Corporate Governance: Acquirer is an unlisted company managed and controlled by its board of directors.
14. The Acquirer is not required to appoint a Compliance Officer.

#### IV. BACKGROUND OF THE TARGET COMPANY

1. Nirlon Limited is a public company limited by shares incorporated in Mumbai, Maharashtra, India. The Target Company was originally incorporated as Nanubhai Industries Private Limited on March 12, 1958. Subsequently its name was changed to Nirlon Synthetic Fibres & Chemicals Private Limited on October 10, 1962 and subsequently to Nirlon Synthetic Fibres & Chemicals Limited on March 30, 1963. The Target Company's name was eventually changed to Nirlon Limited on October 27, 1989.
2. The Target Company has its registered office at Pahadi Village, Off Western Express Highway, Goregaon (East), Mumbai 400 063, Tel: +91 22 4028 1919/ 2685 2257/58/59 and Fax: +91 22 4028 1940. The Corporate Identity Number (CIN) of the Target Company is L17120MH1958PLC011045.
3. The Target Company is engaged in the business of developing industrial parks in India and is currently operating/ developing an industrial park, viz. Nirlon Knowledge Park ("NKP") at Goregaon (East), Mumbai 400 063. NKP is an information technology office park located in Mumbai. NKP comprises seven blocks and is spread across a total construction area of approximately 3.3 million square feet.
4. The Equity Shares of the Target Company are listed on the BSE (Scrip code 500307, Scrip ID NIRLON, ISIN INE910A01012) and are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations. "Equity Shares" shall mean the fully paid-up equity shares having a face value of INR 10 (Rupees Ten only) each of the Target Company carrying voting rights and including any security which entitles the holder thereof to exercise voting rights.
5. As of the date of the LoF, the authorized share capital of the Target Company is INR 1,500,000,000 (Rupees One Billion Five Hundred Million only) comprising 149,000,000 (One Hundred and Forty Nine Million) Equity Shares of INR 10 (Rupees Ten only) each and 100,000 (One Hundred Thousand) cumulative redeemable preference shares of INR 100 (Rupees One Hundred only) each. The subscribed and fully paid-up equity share capital of the Target Company is INR 901,180,400 (Rupees Nine Hundred and One Million One Hundred and Eighty Thousand and Four Hundred only) comprising 90,118,040 (Ninety Million One Hundred and Eighteen Thousand and Forty) fully paid-up Equity Shares of INR 10 (Rupees Ten only) each. The Target Company does not have partly paid-up Equity Shares.

Paid up shares	No. of shares / voting rights	% of shares / voting rights
Fully paid-up equity shares	90,118,040	100.00
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	90,118,040	100.00
<b>Total voting rights</b>	<b>90,118,040</b>	<b>100.00</b>

6. Details of the locked-in shares of the Target Company in accordance with the SEBI (ICDR) Regulations, pursuant to its preferential allotment to promoter shareholders, Kunal V Sagar and Rahul V Sagar, and non-promoter shareholders, Geraldton Finance and EOS Multi Strategy Fund, on 6 February, 2014, are as given below:

Name	Category of shareholder	No. of shares allotted	No. of shares allotted as a % of Voting Share Capital	Date of expiry <sup>(1)</sup>
Kunal Virenchee Sagar	Promoter	1,281,066	1.42%	27 February, 2017

Name	Category of shareholder	No. of shares allotted	No. of shares allotted as a % of Voting Share Capital	Date of expiry <sup>(1)</sup>
Rahul Virenchee Sagar	Promoter	585,908	0.65%	27 February, 2017
Geraldton Finance Limited	Non-promoter	11,882,998	13.19%	27 February, 2015
EOS Multi Strategy Fund	Non-promoter	3,884,826	4.31%	27 February, 2015

Note 1: Source – BSE website

The locked-in shares to be acquired pursuant to the Agreements, if any, will be transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer.

7. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
8. Trading of the Equity Shares of the Target Company is not currently suspended on the BSE. As on the date of the Letter of Offer there are no partly paid up equity shares in the share capital of the Target Company and no outstanding instruments (warrants, compulsorily convertible debentures, compulsorily convertible preference shares, optionally convertible debentures or preference shares or partially convertible debentures) that are convertible into Equity Shares.
9. The details of the board of directors of the Target Company as of the date of the Letter of Offer are provided below.

Name of Director	Date of Appointment	Current Designation	Director Identification Number
Padma Bhushan Shri Moosa Raza	18/07/1996 28/10/2006 23/09/2014	Chairman & Non - Executive Independent Director	00145345
Shri Kunal Virenchee Sagar	19/12/1995 01/02/1996	Executive Vice-Chairman	00388877
Shri Rahul Virenchee Sagar	25/06/2006 01/07/2009	Executive Director	00388980
Shri Rama Varma	22/03/1978 24/06/2006 23/09/2014	Non – Executive & Independent Director	00031890
Shri Arjan R Gurbuxani	21/05/1994 24/06/2006 23/09/2014	Non – Executive & Independent Director	00425885
Smt. Aruna Makhan	09/07/2004 28/10/2006 23/09/2014	Non – Executive & Independent Director	00025727
Smt. Rajani. M. Bhagat	12/03/2003/ 28/10/2006 23/09/2014	Non – Executive promoter Director retiring by rotation	00870716

10. The details of the experience and qualification of the board of directors of the Target Company is as follows:-

***Padma Bhushan Shri Moosa Raza***

Shri Moosa Raza, aged 77 years, graduated with an M.A. from Presidency College, Chennai, University of Madras, First Class First. Shri Raza has been a Civil Servant for 35 years and is a recipient of the Padma Bhushan awarded by the Hon'ble President of India for his distinguished civil service.

Shri Raza has served the Governments of Gujarat, Jammu & Kashmir, Uttar Pradesh and the Government of India in various capacities as Secretary (Health), the Secretary in Cabinet Secretariat, Secretary of Steel, and Governor's Advisor. He was the President of the Indian Steel Alliance. He runs several NGOs dealing with education and is associated with central universities.

Shri Raza also headed as CEO of more than ten public and private sector industrial and commercial organizations, such as the National Textile Corporation, Gujarat State Fertilizers & Chemicals, India Trade Promotion Organization, Calico Group of Companies, etc. He was elected Chairman of the Standing Committee of Public Enterprises, and was a member/director of several organizations dealing with management and administration such as the International Management Institute, IMI-A, SMG, etc.

Shri Raza has been a director of the Target Company since July 1996 and was re-appointed as an independent director and chairman by the board of directors effective from October 28, 2006. The members at their meeting held on September 23, 2014 appointed Shri Raza as an Independent Director to hold office up to March 31, 2019, and he will not be liable to retire by rotation at the Annual General Meeting.

He is also holding the position of director on the board of directors of National Waqf Development Corporation Limited.

He does not hold any Equity Shares of the Target Company as on the date of this LoF.

***Shri Rama Varma***

Shri Rama Varma, aged 65 years, graduated with a B.Sc.

Shri Varma has been occupying the office of director of the Target Company since March 1978 and was re-appointed as an independent director by the board of directors effective from June 24, 2006.

The members at their meeting held on September 23, 2014 appointed Shri Varma as an Independent Director to hold office up to March 31, 2019, and he will not be liable to retire by rotation at the Annual General Meeting.

He is also holding the position of the Managing Director of Aspinwall & Co. Limited.

He holds 10,098 Equity Shares of the Target Company as on the date of this LoF.

***Shri Arjan Gurbuxani***

Shri Arjan Gurbuxani, aged 79 years, graduated with B.A. (Hons.), and LL.B., both from



Bombay University and completed C.A.I.I.B.

Shri Gurbuxani has served multinational banks in senior positions both in India and abroad for 42 years.

Shri Gurbuxani has been a director of the Target Company since 1994 and was re-appointed as an Independent director by the board of directors effective from June 24, 2006.

The members at their meeting held on September 23, 2014 appointed Shri Gurbuxani as an independent director to hold office up to March 31, 2019, and he will not be liable to retire by rotation at the Annual General Meeting.

Shri Gurbuxani is CEO of Public Charitable Trust established in 1903. The Trust manages two CBSE affiliated schools with more than 3000 students and two hospitals with more than 280 Beds in Rishikesh (Uttarakhand).

One of the hospitals is dedicated to eye care and has performed more than 61000 free eye surgeries since 2008.

Shri Gurbuxani holds 724 Equity Shares of the Target Company as on the date of this LoF.

#### ***Smt. Aruna Makhan***

Smt. Aruna Makhan, aged 70 years, joined the IA&AS in 1967 and opted for the ICAS in 1976.

Smt. Makhan has 37 years of experience in handling public financial management at the apex level, and retired as Controller General of Accounts, Government of India. She has also been the director of the National Institute of Finance Management under the aegis of the Ministry of Finance. She was a member of the board of directors of Oriental Bank of Commerce, TTCI, PEC and Prasar Bharati (Broadcasting Corporation of India), besides having held several directorial posts in various Government undertaking and autonomous bodies.

Smt. Makhan has been a director of the Target Company since July 2004 and was re-appointed as an independent director by the board of directors effective from October 28, 2006.

The members at their meeting held on September 23, 2014 appointed Smt. Makhan as an independent director to hold office up to March 31, 2019, and she will not be liable to retire by rotation at the Annual General Meeting.

She is currently an independent director on the board of directors of Mangalam Cements Limited.

She does not hold any Equity Shares of the Target Company as of the date of this LoF.

#### ***Smt. Rajani Bhagat***

Smt. Rajani Bhagat, aged 76 years graduated with B.A. (Hons.), B.Com, B.Sc. (Economics).

Smt. Bhagat has been occupying the office of director since March 2003 and was re-appointed as a director by the board of directors effective October 28, 2006. Subsequently, the members at their meeting held on August 30, 2007 confirmed the appointment of Smt. Bhagat as a director liable to retire by rotation.

She holds 6,73,299 Equity Shares of the Target Company as on the date of this LoF.

***Shri Rahul Virenchee Sagar***

Shri Rahul Virenchee Sagar, aged 43 years graduated with a B.A. in Economics.

Shri Rahul Virenchee Sagar has been occupying the office of director since June 2006. Subsequently, the members at their meeting held on September 28, 2006 confirmed the appointment of Shri Rahul Sagar as a director liable to retire by rotation.

Prior to joining Nirlon Ltd, Shri Rahul Virenchee Sagar worked as Chief Operating Officer of Sempetrans Nirlon Private Limited.

Shri Rahul Virenchee Sagar has occupied the office of the executive director effective from July 1, 2009 and is not liable to retire by rotation.

He is the brother of Shri Kunal Virenchee Sagar, one of the directors of the Target Company.

He holds 13,29,750 Equity Shares of the Target Company as on date of this LoF.

***Shri Kunal Virenchee Sagar***

Shri Kunal Virenchee Sagar, aged 46 years graduated with a B.A. in Economics.

Shri Kunal Virenchee Sagar has been occupying the office of director since December 1995.

Subsequently, the members at their meeting held on September 24, 1997 confirmed the appointment of Shri Kunal Virenchee Sagar as joint executive vice chairman of the Target Company not liable to retire by rotation.

Prior to joining Nirlon Limited, Shri Kunal Virenchee Sagar worked with the Republic National Bank of New York in the United States from 1990 to 1994.

He is the brother of Shri Rahul Virenchee Sagar, one of the directors of the Target Company.

He holds 13,29,750 Equity Shares of the Target Company as on date of this LoF.

11. The Target Company has not been party to any scheme of amalgamation, restructuring, merger / demerger and spin off during the last three years.

12. Brief audited standalone financials of the Target Company as of and for the financial years ended 31st March 2014, 2013 and 2012, and unaudited standalone financials as of and for the six month period ended September 30, 2014 are provided below:

(in INR million except EPS)

<b>Profit &amp; Loss Statement</b>	<b>From audited financials for year ended and as of March 31, 2012</b>	<b>From audited financials for year ended and as of March 31, 2013</b>	<b>From audited financials for year ended and as of March 31, 2014</b>	<b>From unaudited financials for six months ended and as of September 30, 2014</b>
Income from operations	1,378	1,597	2,015	1,199
Other Income	48	20	18	9
<b>Total Income</b>	<b>1,426</b>	<b>1,617</b>	<b>2,033</b>	<b>1,208</b>
Total expenditure	561	425	471	277
<b>Profit Before Depreciation, Interest and Tax</b>	<b>865</b>	<b>1,192</b>	<b>1,562</b>	<b>931</b>
Depreciation	494	426	489	329
Interest and finance charges	711	653	777	387
Exceptional income	0	115	42	23
<b>Profit before tax</b>	<b>(339)</b>	<b>228</b>	<b>338</b>	<b>238</b>
Provision for tax	(143)	107	22	0
<b>Profit after tax</b>	<b>(196)</b>	<b>120</b>	<b>316</b>	<b>238</b>
Diluted Earnings per Share (In INR) <sup>(1)</sup>	(2.90)	1.68	4.25	2.65

(in INR million)

<b>Balance Sheet</b>	<b>From audited financials for year ended and as of March 31, 2012</b>	<b>From audited financials for year ended and as of March 31, 2013</b>	<b>From audited financials for year ended and as of March 31, 2014</b>	<b>From unaudited financials for six months ended and as of September 30, 2014</b>
<b>Sources of funds</b>				
Paid up share capital	718	718	894	894
Reserves and Surplus	15,965	15,891	16,553	16,641
<b>Networth<sup>(2)</sup></b>	<b>16,682</b>	<b>16,609</b>	<b>17,447</b>	<b>17,535</b>
Secured loans <sup>(3)</sup>	5,371	6,530	6,022	6,191
<b>Total</b>	<b>22,053</b>	<b>23,139</b>	<b>23,468</b>	<b>23,726</b>
<b>Uses of funds</b>				
Net fixed assets <sup>(4)</sup>	23,207	24,403	25,263	25,573

<b>Balance Sheet</b>	<b>From audited financials for year ended and as of March 31, 2012</b>	<b>From audited financials for year ended and as of March 31, 2013</b>	<b>From audited financials for year ended and as of March 31, 2014</b>	<b>From unaudited financials for six months ended and as of September 30, 2014</b>
Other net non-current assets (liabilities) <sup>(5)</sup>	(502)	(595)	(323)	(296)
Net current assets (liabilities) <sup>(6)</sup>	(652)	(670)	(1,472)	(1,551)
<b>Total</b>	<b>22,053</b>	<b>23,139</b>	<b>23,468</b>	<b>23,726</b>

<b>Other financial data</b>	<b>From audited financials for year ended and as of March 31, 2012</b>	<b>From audited financials for year ended and as of March 31, 2013</b>	<b>From audited financials for year ended and as of March 31, 2014</b>	<b>From unaudited financials for six months ended and as of September 30, 2014</b>
Dividend (%) <sup>(7)</sup>	0.0%	0.0%	7.5%	0.0%

1. Earnings per share diluted, as reported by the Target Company
2. Total shareholders' equity
3. Sum of long term borrowings and short term borrowings; All borrowings by the company are secured
4. Net fixed assets = Tangible assets + Intangible assets + Capital work in progress + Intangible assets under development
5. Other net non-current assets (liabilities) = (Deferred tax assets + Long term loans and advances + Other non-current assets) - (Other long term liabilities + Long term provisions)
6. Net current assets (liabilities) = Current assets (Trade receivables + Cash & cash equivalents + Short term loans & advances + Other current assets) - (Trade payables + Other current liabilities + Short term provisions)
7. Dividend (%) = Dividend / Face value of 1 Target Company share

(Source: The standalone financial information set forth above has been extracted from the Target Company's audited standalone financial statements as of and for years ended March 31, 2012, March 31, 2013 and March 31, 2014 prepared in accordance with applicable accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and other relevant provisions of the Companies Act, 1956 and audited by the statutory auditor of the Target Company. The interim standalone financial information set forth above has been extracted from the Target Company's interim unaudited standalone financial statements as of and for the six months ended September 30, 2014 prepared in accordance with applicable accounting standards specified under the Companies Act, 1956, which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and other recognized accounting practices and policies reviewed by the audit committee, and thereafter approved by the board of directors of the Target Company in their meeting held on 13<sup>th</sup> November 2014. The limited review for the unaudited financial results for the quarter ended September 30, 2014 as required under Clause 41 of the Equity Listing Agreement, has been completed by the statutory auditor of the Target Company. Shareholder funds include revaluation reserves of INR 152,577 million, INR 154,421 million and INR 156,362 million as on 31st of March 2014, 2013 and 2012 respectively. The revaluation reserve information as on September 30, 2014 is not available from interim unaudited standalone financial statements as of and for the six months ended September 30, 2014)

Details of the contingent liabilities in the Target Company as of March 31, 2014 are provided below:

- a. Claims against the Target Company not acknowledged as debts - INR 1.3million as certified by the management of the Target Company
- b. Contingent liabilities not provided for

(in INR million)

SL. No.	Contingent liabilities not provided for	From audited financials for year ended and as of March 30, 2013	From audited financials for year ended and as of March 30, 2014
1	Excise duty	114.5	116.8
2	Service tax	107.8	201.2
3	Income tax	-	5.5
4	Value added tax	-	3.5

- c. The Target Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regards could not be provided.
- d. Balances of sundry debtors, creditors, loans and advances and deposits are subject to confirmation.

(Source: Notes to consolidated financial statements as appearing in the Nirlon Limited Annual Report 2013-14)

13. Shareholding pattern of the Target Company pre and post Offer is provided below:

Shareholders' category	Shareholding & voting rights prior to agreement / acquisition and Offer (A)		Shareholding & voting rights to be acquired which triggered the SEBI (SAST) Regulations (B)		Shares / voting rights to be acquired / (sold) in the Offer (assuming full acceptance) (C)		Shareholding / voting rights after the acquisition and Offer	
	No.	%	No.	%	No.	%	No.	%
<b>(I) Promoter group</b>								
a) Acquirer <sup>(1)</sup>	0	0.00	32,006,274	35.52	25,600,000	28.41	57,606,274	63.92
b) Parties to agreement	9,011,805	10.00	(4,505,903)	(5.00)	0	0.00	4,505,902	5.00
1. Group 1 Sellers	4,505,903	5.00	(4,505,903)	(5.00)	0	0.00	0	0.00
2. Group 3 Sellers <sup>(6)</sup>	4,505,902	5.00	0	0.00	0	0.00	4,505,902	5.00
c) Promoters other than (b) <sup>(2)</sup>	2,400,949	2.66	0	0.00	0	0.00	2,400,949	2.66
<b>Total (I) (a+b+c)</b>	<b>11,412,754</b>	<b>12.66</b>	<b>27,500,371</b>	<b>30.52</b>	<b>25,600,000</b>	<b>28.41</b>	<b>64,513,125</b>	<b>71.59</b>
<b>(II) Public shareholders</b>								
a) Parties to agreement	27,500,371	30.52	(27,500,371)	(30.52)	0	0.00	0	0.00
1. Group 2 Sellers	26,319,211	29.21	(26,319,211)	(29.21)	0	0.00	0	0.00
2. Group 4 Sellers	1,181,160	1.31	(1,181,160)	(1.31)	0	0.00	0	0.00
b) Public other than Parties to agreement (a)	51,204,915	56.82	0	0.00	(25,600,000)	(28.41)	25,604,915	28.41
1. Institutions <sup>(3)</sup>	23,562,829	26.15	0	0.00				
2. Others <sup>(4)</sup>	27,642,086	30.67	0	0.00				
<b>Total (II) (a+b)</b>	<b>78,705,286</b>	<b>87.34</b>	<b>(27,500,371)</b>	<b>(30.52)</b>	<b>(25,600,000)</b>	<b>(28.41)</b>	<b>25,604,915</b>	<b>28.41</b>
<b>Grand total (I+II)</b>	<b>90,118,040</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>90,118,040</b>	<b>100.00</b>

Notes

- (1) As the Acquirer will become a part of the Promoter Group, the shares held by the Acquirer prior to the Offer have been included under the Promoter Group category*
- (2) Shareholding of the Bhagat family*
- (3) Includes Mutual Funds, Financial Institutions / Banks, Insurance Companies, FIIs, Foreign VC Investors, Qualified Foreign Investors as of September 30, 2014 (Source: BSE)*
- (4) Includes Bodies Corporate, NRIs, Trusts, Foreign Corporate Bodies, Overseas Corporate Bodies and Indian Individuals as of September 30, 2014 (Source: BSE)*
- (5) For details on Group 1 to 4 Sellers please refer to Part II (A) (Background to the Offer)*
- (6) The Group 3 Sellers have agreed to sell 4,505,902 (Four Million Five Hundred and Five Thousand Nine Hundred and Two Only) Equity Shares in the Target Company, representing 5.00% of its Voting Share Capital subject to the terms and conditions set out in Group 3 SPSHAs if the number of Equity Shares validly tendered in the Offer is less than 21.79% of the Voting Share Capital. In the event that Seller 7, Seller 8, Seller 9 and Seller 10 do not sell their equity shares in the Target Company to the Acquirer on account of the Equity Shares validly tendered in the Offer being more than 21.79% of the Voting Share Capital, they will continue as promoters of the Target Company along with the Acquirer*

## V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A. Justification of Offer Price

1. The Offer is in accordance with Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.
2. The Offer Price is INR 222 (Rupees Two Hundred and Twenty Two Only) per Equity Share.
3. The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
4. The Equity Shares are listed on the BSE Limited.
5. The trading turnover in the Equity Shares based on the trading volumes during the twelve months prior to the month of the PA on the BSE is as given below:

Stock exchange	Total traded volumes during the 12 calendar months preceding date of the PA ("A")	Weighted average number of Equity Shares during the 12 calendar months preceding date of the PA ("B")	Trading turnover % (A/B)
BSE	16,878,039	86,542,766	19.50%

(Source: BSE)

6. Based on the above, the Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
7. The Offer Price of INR 222 (Rupees Two Hundred and Twenty Two Only) per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

SL. No.	Details	INR
A	The highest negotiated price per Equity Share of the Target Company for any acquisition under an agreement attracting the obligation to make a public announcement of an open offer	INR 222 <sup>(1)</sup>
B	The volume weighted average price paid or payable per Equity Share for acquisitions by the Acquirer during the fifty two weeks immediately preceding the date of the PA	Not applicable
C	The highest price paid or payable per Equity Share for any acquisition by the Acquirer during the twenty six weeks immediately preceding the date of the PA	Not applicable
D	The volume weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the PA as traded on the BSE Limited, being the stock exchange where the Equity Shares are listed and such shares are frequently traded	INR 177.75

(Source: Agreements, BSE)

Note:

1. Further details in respect of the negotiated price have been set out in Part II(A): Background to the Offer
2. The Offer Price would be revised in the event of any corporate action such as bonus, rights, split, etc., if the record date for effecting such corporate actions falls within three Working Days prior to the commencement of the Tendering Period of the Open Offer

8. The Offer Price may be subject to revision pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer, at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares during the period commencing three Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the Open Offer Escrow Amount; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchange and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
9. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Managers, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

## **B. Financial Arrangements**

1. The Offer Size is INR 5,683,200,000 (Rupees Five Billion Six Hundred and Eighty Three Million Two Hundred Thousand Only).
2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, an escrow arrangement has been created in the form of a Cash Escrow.
3. The Acquirer has adequate resources to meet the financial requirements of this Open Offer and by way of security for performance by the Acquirer of its obligations under the SEBI (SAST) Regulations, the Acquirer has created an escrow account named “Nirlon Limited Open Offer Escrow Account” (the “Open Offer Escrow Account”) with The Hongkong and Shanghai Banking Corporation Limited (acting through its office at 11th Floor, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063) (the “Open Offer Escrow Agent”) and has deposited a sum of INR 5,683,200,000 (Rupees Five Billion Six Hundred and Eighty Three Million Two Hundred Thousand Only) in the said Open Offer Escrow Account being one hundred percent of the Maximum Open Offer Consideration. The Open Offer Escrow Account is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of the SEBI (SAST) Regulations. On 3 December 2014, the Acquirer has issued 242,000,000 new ordinary shares of SGD 1 each to Recosia Private Limited for a cash consideration of SGD 242,000,000 (equivalent to USD 185,362,491). The proceeds of the said issuance is the source of funds for the Open Offer.
4. The Managers have entered into the Open Offer Escrow Agreement pursuant to which the Acquirer has solely authorized the Managers to operate the Open Offer Escrow Account as per the provisions of the SEBI (SAST) Regulations.
5. The Open Offer Escrow Agent is neither an associate company nor a group company of the Acquirer or the Target Company.



6. PricewaterhouseCoopers LLP, chartered accountants, GST No: M90362193L, Reg. No. T09LL0001D, having its office at 8 Cross Street #17-00, PWC Building, Singapore 048424, Tel: + 65 6236 3388, Fax: +656236 3300 have, vide their certificate dated December 23, 2014, certified that the Acquirer has adequate financial resources through verifiable means to fulfill its obligations under this Offer.
7. The Acquirer has, by certificates dated December 23, 2014, given undertakings to the Managers to meet their financial obligations under this Offer.
8. Based on the above, the Managers are satisfied that firm arrangements have been put in place by the Acquirer to fulfill their obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
9. In case of any upward revision in the Offer Price or the Offer Size, the value 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 in the Open Offer Escrow Account by the Acquirer prior to effecting such revision, in terms of regulation 17(2) of the Regulations.

## **VI. TERMS AND CONDITIONS OF THE OFFER**

### **A. Operational Terms and Conditions**

1. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on March 18, 2015, Wednesday and close on March 31, 2015, Tuesday.
2. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
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 as per the schedule of activities is March 03, 2015, Tuesday.
5. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one only).
6. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

### **B. Eligibility for accepting the Offer**

1. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of the Target Company on the Identified Date.
2. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible (subject to paragraph 2 of Part VI (*Statutory and Other Approvals*) below) to participate in this Offer.
3. The Public Announcement, Corrigendum to the PA, the Detailed Public Statement, the Draft Letter of Offer, the Letter of Offer and the Form of Acceptance-cum-Acknowledgement will also be available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgement from SEBI's website.
4. There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The residual lock-in period will continue in the hands of the Acquirer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
5. The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
6. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
7. None of the Acquirer, the Managers or the Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer acceptance forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

8. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Managers.
9. The Acquirer reserves the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 3 (three) Working Days prior to the commencement of the Tendering Period, i.e., up to 13 March, 2015, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
10. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.

### **C. Statutory and Other approvals**

1. To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the acquisition of the Offer Shares as on the date of the Letter of Offer, except as set out below. If, however, any other statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s).
2. The acquisition of Offer Shares from NRIs and erstwhile OCBs is subject to approval or exemption from the RBI. The Acquirer had submitted an application to the RBI dated 4 February, 2015, seeking its approval for the acquisition of the Offer Shares from NRIs and OCBs, as may be required, under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. The RBI vide its letter dated 24 February, 2015, inter-alia conveyed its 'no-objection' in respect of acquisition of Equity Shares under the Offer from the i) Identified NRIs, subject to the condition that the sale proceeds of the Offer Shares held by NRIs on non-repatriable basis may be credited to the NRO account of the respective NRI and the transaction is reported in form FC-TRS and ii) up to 450 Equity Shares from the erstwhile OCB, M/s Indo Mauritian Investment Corp. Ltd. The RBI has further directed that if any shares are tendered by M/s Millenium Ltd., erstwhile OCB, the shareholder may be advised to approach the OCB Desk, Foreign Investment Division, Foreign Exchange Department, Reserve Bank of India, Central Office, Mumbai, for specific prior approval for acquisition of the shares by the Acquirer. Notwithstanding the RBI approval received by the Acquirer for the Identified NRIs, any other NRI shareholder may also choose to apply for all requisite approvals required to tender their respective Offer Shares and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Where any statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer.
3. The acquisition of Equity Shares from Seller 1, Seller 2, Seller 9, Seller 10 and Sellers 11 to 27 is subject to the receipt of an approval in writing from the Reserve Bank of India on terms reasonably satisfactory to the Acquirer and the relevant Sellers.
4. The Acquirer does not require any approvals from financial institutions or banks for this Offer.
5. The Offer is further subject to the receipt of the statutory approvals stated in this Part VI (*Statutory and Other Approvals*) and the satisfaction of the conditions precedent, as specified in Part II section B (*Details of the Proposed Offer*) paragraph 5, for the purpose of the acquisition of the Sale Shares.

6. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as may specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer.
7. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that (i) the approvals (whether in relation to the acquisition of Equity Shares under the Agreements or in relation to the Offer Shares) specified in the DPS and in this LoF as set out in Part VI (*Statutory and Other Approvals*) above or those which become applicable prior to completion of the Offer are not received; or (ii) any of the conditions precedent as set out in Part II section B (*Details of the Proposed Offer*) paragraph 5 (all of which are outside the reasonable control of the Acquirer) are not satisfied by the Long Stop Date and the Agreement(s) are terminated, then the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer (through the Managers) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

## VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

1. For the purpose of the Offer, the Registrar to the Offer has opened the Open Offer Escrow Demat Account in the name and style of “KCPL ESCROW ACCOUNT-NIRLON LIMITED-OPEN OFFER” (“Open Offer Escrow Demat Account”) with Karvy Stock Broking Limited as the Depository Participant in NSDL. The DP ID is IN300394 and the Client ID is 19008494.
2. The Offer is made to the Public Shareholders as defined in this LoF. While the LoF shall be dispatched to the Public Shareholders of Nirlon whose name appears in the register of members as of the Identified Date, all Public Shareholders of Nirlon may (subject to paragraph 2 of Part VI– Statutory and Other Approvals – above) download the LoF from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company and tender their Equity Shares in the Offer. Accordingly, all Public Shareholders, whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are eligible to participate in this Offer at any time during the Tendering Period (subject to paragraph 2 of Part VII (*Statutory and Other Approvals*) above. No indemnity is needed from unregistered Public Shareholders.
3. The Public Shareholders who qualify and who wish to participate in this Offer will have to deliver the relevant documents as mentioned below and such other documents as specified in the Letter of Offer at the Registrar to the Offer’s office or at the following collection centres, either by hand delivery or by registered post or by courier between 10:00 a.m. and 4:00 p.m. on any Working Day during the Tendering Period, provided it is not a Saturday or a Sunday. The documents should not be sent to the Managers, the Acquirer or the Target.

SL. No.	Collection Centre	Address of Collection Centre	Contact person	Phone No. / Fax No. and Email Id	Mode of delivery
1.	Mumbai	Karvy Computershare Pvt Ltd, 24-B, Rajabahudur Mansion, Gr Floor, 6 Ambalal Doshi Marg, Behind BSE Ltd, Fort, Mumbai-400001	Ms.Nutan Shirke	Phone: 022-66235454 /66235412/27 Fax: 022-66331135 Email: ircfort@karvy.com/ nutan.shirke@karvy.com	Hand Delivery
2.	New Delhi	Karvy Computershare Pvt Ltd, 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi - 110 001	Mr. Rakesh Kr Jamwal / Mr. Vinod Singh Negi /Mr.John Mathew	Phone: 011-43681700 / 1798 Fax: 011-41036370 Email: rakesh.jamwal@karvy.com/ john.mathew@karvy.com Vinod.negi@karvy.com	Hand Delivery
3.	Ahmedabad	Karvy Computershare Pvt Ltd, 201-203, Shail, Opp: Madhusudhan House, Behind Girish Cold Drinks, Off C G Road Ahmedabad – 380006	Mr. Aditya Gupta/ Ms.Jagruthi	Phone: 079- 26400527 / 65150009 Fax: NA Email: ahmedabad@karvy.com	Hand Delivery
4.	Chennai	Karvy Computershare Pvt Ltd, No.F11 First Floor , Akshya Plaza , New no.108 , Adhithanar Salai , Egmore, Chennai - 600 002 (Landmark: Opp. Metropolitan court)	Mr. Karthikeyan/ Mr. Ramakrishna	Phone: 044-28587781 / 42028513 Fax: NA Email: chennaiirc@karvy.com	Hand Delivery
5.	Hyderabad	Karvy Computershare Pvt Ltd, Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500081	Mr. Bhakta Singh	Phone: 040-44655000/ 23420818-23 Fax: 040-23431551 Email: ircmadhapur@karvy.com	Hand Delivery/ Registered Post
6.	Kolkata	Karvy Computershare Pvt Ltd, 49, Jatin Das Road, Nr.Deshpriya Park,	Mr. Sujit Kundu / Mr. Debnath	Phone: 033- 6619 2841 / 42 Fax: 033-24644866 Email: sujit.kundu@karvy.com	Hand Delivery

SL. No.	Collection Centre	Address of Collection Centre	Contact person	Phone No. / Fax No. and Email Id	Mode of delivery
		Kolkatta - 700 029		/ nilkanta.debnath@karvy.com	
7.	Bengaluru	Karvy Computershare Pvt Ltd, No.59, Skanda, Putana Road, Basavanagudi Bengaluru - 560 004	Mr. S K Sharma/ Mr. Mahadev	Phone: 080- 26621192 / 26606125 / 67453244 Fax: 080-26621169 Email: ircbangalore@karvy.com	Hand Delivery

4. Any person who has acquired Equity Shares of the Target (irrespective of the date of purchase) but whose name does not appear in the register of members of the Target on the Identified Date, or any Public Shareholder who has not received the Letter of Offer, may also participate in this Offer, subject to paragraph 2 of Part VII – Statutory and Other Approvals – above by submitting an application on plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer. Such application should be sent to the Registrar to the Offer together with the relevant share certificate(s) and transfer forms (if the Equity Shares are held in physical form) or a photocopy of the DP instruction slip duly acknowledged by the DP (in the case of Equity Shares held in dematerialized form) in “off-market” mode, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Equity Shares were acquired and/or such other documents as specified in the Letter of Offer.
5. Public Shareholders holding Equity Shares in dematerialized form shall deliver the following documents:
  - (i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the depository.
  - (ii) A photocopy of the delivery instruction slip in “off-market” mode or counterfoil of the delivery instruction slip in “off-market” mode, duly acknowledged by the relevant DP.
  - (iii) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement. The Public Shareholders having their beneficiary account in CDSL must use an inter-depository delivery instruction for the purpose of crediting their Equity Shares in favour of the escrow depository account with NSDL. The ISIN number allotted to Equity Shares of Nirlon is INE910A01012. The Public Shareholders who have sent their physical Equity Shares for dematerialization need to ensure that the dematerialization process is completed in sufficient time to ensure that the credit in the Open Offer Escrow Demat Account is received on or before closure of the Offer.
  - (iv) A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable.
  - (v) In case the aforesaid documents have not been tendered but the Equity Shares have been transferred to the Open Offer Escrow Demat Account, the Equity Shares shall be deemed to have been accepted for all resident Public Shareholders.
6. Public Shareholders holding the Equity Shares in physical form shall deliver the following documents:
  - (i) Form of Acceptance-cum-Acknowledgement, duly completed and signed in accordance with the instructions contained therein by all Public Shareholders whose name appears on the share certificates.

- (ii) Original share certificates.
  - (iii) Valid transfer forms duly signed by the transferors by all registered Public Shareholders in same order and as per the specimen signatures registered with and duly witnessed at the appropriate place.
  - (iv) A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable.
  - (v) In case the aforesaid documents have not been tendered but the original share certificates and valid transfer forms, duly signed, have been tendered, the Equity Shares shall be deemed to have been accepted for all resident Public Shareholders.
7. It is hereby expressly clarified that the Equity Shares tendered in the Offer by an NRI or erstwhile OCB shareholder of the Target Company will be accepted by the Acquirer, and any payment of consideration to such shareholders shall be made by the Open Offer Escrow Agent in consultation with the Acquirer, Managers and the Registrar to the Offer, only if such NRI or OCB shareholders are in compliance with the conditions laid out in the RBI approval granted to permit such NRI or OCB shareholders to tender shares in the Open Offer (whether sought by the Acquirer or the NRI/OCB shareholders, as the case may be, or both) and provide all necessary documents as stipulated in the Letter of Offer and as required by the Open Offer Escrow Agent following the closure of the Tendering Period (including but not limited to: (a) RBI approval sought by the NRI or OCB shareholder in its individual capacity to permit the NRI or OCB shareholder to tender shares in the Open Offer; (b) the NRI or OCB shareholder's bank's confirmation that the selling NRI or OCB shareholder is holding the Equity Shares in compliance with extant FEMA regulations; and (c) documents that the Open Offer Escrow Agent may require in its sole opinion (while acting in its capacity of Authorized Dealer Bank) (hereinafter collectively referred as "**NRI/OCB Documentation**"). Notwithstanding anything contained in this Letter of Offer, the Acquirer, the Managers, the Open Offer Escrow Agent and the Registrar to the Offer shall not have any liability, loss claim, etc. (by whatever name called) in tort, breach of contract, breach of statutory duty or otherwise in the event the Acquirer in consultation with the Managers, the Registrar to the Offer and the Open Offer Escrow Agent does not accept the Equity Shares tendered and thereby does not make corresponding payment of such consideration for the want of requisite NRI/OCB Documentation being provided by the NRI or OCB shareholders. It is expressly clarified that the Acquirer, the Managers, the Open Offer Escrow Agent and the Registrar to the Offer are in no manner responsible to procure such NRI/OCB Documentation from the NRI or OCB shareholders of the Target Company who have tendered their Equity Shares in the Offer
8. The holders of Global Depository Shares exercising their option to convert the Global Depository Shares held by them into Equity Shares can avail of the Offer, subject to them qualifying as Public Shareholders. A copy of the Letter of Offer will be submitted to the custodian of Global Depository Shares as required under Regulation 18(3) of the SEBI (SAST) Regulations. The procedure of acceptance would be the same as in the case of other Public Shareholders holding Equity Shares.
9. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Managers, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

10. When tendering their Equity Shares in the Offer, Public Shareholders may select an option to receive the payment of Offer consideration through electronic means by indicating in the space provided in the Form of Acceptance-cum-Acknowledgement. The payment consideration for Equity Shares accepted under the Offer, in such cases, may be made through NECS, direct credit, RTGS or NEFT, as applicable, at specified centers where clearing houses are managed by the RBI, wherever possible. In other cases, payment of consideration would be made through demand draft / pay order sent by Registered post / speed post. Public Shareholders who opt to receive consideration through electronic means are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance-cum-Acknowledgement, provide the Magnetic Ink Character Recognition (“MICR”) / Indian Financial System Code (“IFSC”) of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance-cum-Acknowledgement. In case of joint holders/unregistered owners, payments will be made in the name of the first holder/ unregistered owner.
11. For the purposes of electronic transfer, in case of Public Shareholders opting for electronic payment of consideration and for the purposes of printing on the demand draft / pay-order for the other cases, the bank account details will be taken directly from the Depositories’ database, wherever possible. A Public Shareholder tendering Equity Shares in the Offer is deemed to have given consent to obtain the bank account details from the Depositories’ database for this purpose. Only if the required details cannot be obtained from the Depositories’ database will the particulars provided by the Public Shareholders be used.
12. For Public Shareholders who do not opt for electronic mode of transfer and for those Public Shareholders whose payment consideration is rejected or not credited through NECS, direct credit, RTGS or NEFT (as applicable) due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post / Registered Post. Such payment consideration will be made by pay orders or demand drafts payable at par at places where the address of the Public Shareholder is registered. It is advised that Public Shareholders provide bank details in the Form of Acceptance-cum-Acknowledgment, so that the same can be incorporated in the cheque/demand draft/pay order. It will be the responsibility of the tendering Public Shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance-cum-Acknowledgment.
13. The Registrar to the Offer will hold in trust the Equity Shares/share certificates, Equity Shares held in credit of the Open Offer Escrow Demat Account, Form of Acceptance-cum-Acknowledgement, if any, and the transfer form(s) on behalf of the Public Shareholders of the Target who have accepted the Open Offer, until the drafts / pay order for the consideration or the unaccepted Equity Shares / share certificates are dispatched / returned by registered post or payment of consideration has been made through electronic modes.
14. In case of rejection of Equity Shares tendered for any reason, the unaccepted original share certificates, transfer forms and other documents, if any, will be returned by registered post at the Public Shareholder’s / unregistered holder’s sole risk as per the details provided in the Form of Acceptance-cum-Acknowledgement. Equity Shares held in dematerialized form, to the extent not accepted, will be returned to the beneficial owner to the credit of the beneficial owner’s DP Account with the respective DP as per the details furnished by the beneficial owner(s) in the Form of Acceptance-cum-Acknowledgement.

## **Compliance with Tax Requirements**

### **1. General**

- (a) As per the provisions of Section 195(1) of the Income Tax Act any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source



(including surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act. The consideration received by the non-resident Public Shareholders for the Equity Shares accepted in this Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. The Acquirer is required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act, on such capital gains / business profits. Further, the Acquirer is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on the payment of any interest (paid for delay in payment of the Offer Price) by the Acquirer to a non-resident Public Shareholder.

- (b) Section 194A of the Income Tax Act provides that payment of interest, if any, (for delay in payment of Offer consideration) by the Acquirer to a resident Public Shareholder may be chargeable to tax, as income from other sources under Section 56 of the Income Tax Act. The Acquirer is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest (paid for delay in payment of Offer consideration or a part thereof).
- (c) Each Public Shareholder shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/body of individuals, trust, any other taxable entity). In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, it would be assumed that the Public Shareholder is a non-resident Public Shareholder and taxes shall be deducted treating the Public Shareholder as a non-resident and at the rate as may be applicable, under the Income Tax Act, to the relevant category to which the Public Shareholder belongs, on the entire consideration and interest if any, payable to such Public Shareholder.
- (d) Any non-resident Public Shareholder claiming benefit under any DTAA between India and any other foreign country should furnish the TRC provided to him/it by the Government of such other foreign country of which he/it claims to be a tax resident, which has been inserted as a mandatory requirement by the Finance Act, 2012. In addition, the non-resident Public Shareholder is required in terms of Section 90(5) of the Income Tax Act to furnish prescribed additional information in the prescribed form (Form 10F). The information that is to be provided in the Form 10F are as follows:
  - 1. Legal status (individual, company, firm, etc.);
  - 2. Permanent Account Number, if allotted
  - 3. Nationality of an individual or country/specified territory of incorporation or registration in case of other entities;
  - 4. The non-resident tax payer's tax identification number in the country or specified territory of residence or a unique identification number of the non-resident tax payer of the country or the specified territory of residence;
  - 5. Period for which the residential status, as mentioned in the Tax Residency Certificate, is applicable; and
  - 6. Address of the non-resident tax payer in the country or specified territory outside India, during the period for which the Tax Residency Certificate is applicable.

Further, a non-resident tax payer is required to keep and maintain all documents substantiating the aforesaid information and furnish the same when required by the Indian tax authorities. The

particulars already included in the Tax Residency Certificate are not required to be furnished separately.

- (e) Any Public Shareholder claiming benefit under DTAA should submit along with the TRC, a certificate for deduction of tax at lower or nil rate from the income tax authorities and taxes would be deducted by the Acquirer in accordance with such certificate. In the absence of TRC and a certificate for deduction of tax at lower or nil rate obtained from income tax authorities, the taxes would be deducted at the rates (including surcharge and education cess as applicable) as dealt with in this Part VII – Compliance with Tax Requirements – paragraphs 2 and 3, below, for each category of the Public Shareholder(s).
- (f) All Public Shareholders (including FIIs) are required to submit their PAN along with self attested copy of the PAN card for income-tax purposes. If not, the Acquirer will arrange to deduct tax at the rate of 20% as per Section 206AA of the Income Tax Act or at such tax rate (including surcharge and education cess as applicable), as dealt with in this Part VII – Compliance with Tax Requirements – paragraphs 2, 3 and 4, below, for each category of the Public Shareholders, whichever is higher. The provisions of Section 206AA of the Income Tax Act would apply only where there is an obligation to deduct tax at source.
- (g) The Acquirer will not accept any request from any Public Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower or nil rate, on the basis of any self computation/computation by any tax consultant, of capital gain or business income and/or interest, if any, and tax payable thereon.
- (h) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.
- (i) The provisions contained in clause c to f above are subject to anything contrary contained in this Part VII – Compliance with Tax Requirements – paragraphs 2 to 5 below.
- (j) All references to maximum rate include applicable surcharge and education cess, as may be applicable.

## **2. Tax Implications in case of non-resident Public Shareholders (other than FIIs)**

- (i) For the purpose of remittance of funds on tendering of Equity Shares under the Open Offer, NRIs, OCBs, and other non-resident Public Shareholders (excluding FIIs) will be required to submit an **NOC** or Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil/Lower Rate.
- (ii) In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, tax will be deducted at the maximum rate as may be applicable to the relevant category to which the Public Shareholder belongs, on the entire consideration amount payable to the Public Shareholders, by the Acquirer.
- (iii) The Acquirer will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Public Shareholder for deducting a lower amount of tax at source. NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) holding Equity Shares as capital asset will be required to certify the period of its holding (i.e., whether Equity Shares are held for more than 12 (twelve) months of Equity Shares.

- (iv) In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, if any, the NRIs, OCBs, and other non-resident Public Shareholders (excluding FIIs) will be required to submit a NOC or Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil/Lower Rate.
- (v) In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, the Acquirer will deduct tax at the maximum rate as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act on the entire amount payable as interest to such Public Shareholder.
- (vi) All NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) are required to submit a self-attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer will deduct tax at the rate of 20% (as provided under section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Public Shareholder under the Income Tax Act, whichever is higher.
- (vii) Any NRIs, OCBs and other non-resident Public Shareholders (excluding FIIs) claiming benefit under any DTAA between India and any other foreign country should furnish the 'Tax Residence Certificate' provided to him/it by the Government of such other foreign country of which it claims to be a tax resident and a self-declaration stating that it does not have a business connection in India as defined in Explanation 2 to section 9(1)(i) of the Income Tax Act (along with the provisos thereto) or a permanent establishment in India, in terms of the DTAA entered between India and the country of its tax residence. Further, the Public Shareholder will be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in this Part VII – Compliance with Tax Requirements – paragraph 1(iv) of this Letter of Offer. In the absence of such Tax Residence Certificate/certificates/declarations/ information/documents, the Acquirer and/or the PAC will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA.

### **3. Tax Implications in case of FII Public Shareholder**

- (i) As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII, as defined in Section 115AD of the Income Tax Act. Further, for the purposes of Section 115AD, FII will include FPIs as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014. The Acquirer would not deduct tax at source on the payments to FIIs, subject to the following conditions:
  - (i) FIIs are required to furnish the copy of the registration certificate issued by SEBI (including for sub-account of FII, if any);
  - (ii) FIIs are required to certify the nature of their holding (i.e. whether held on capital account as investment or on trade account) of the Equity Shares. The benefits under Section 196D(2) are applicable in case the Equity Shares are held on capital account; and
  - (iii) FIIs shall also certify the nature of its income (i.e. whether capital gains or business income) on the sale of the Equity Shares. The benefits under Section 196D (2) of the Income Tax Act are applicable in case the nature of the FII's income is treated as capital gains.

- (ii) If the above conditions are not satisfied, the Acquirer shall deduct tax at the maximum tax rate applicable under the Income Tax Act on the gross consideration payable to the Public Shareholder, depending on category of the Public Shareholder.
- (iii) If it is certified by the FII that Equity Shares are held on trade account, no deduction of tax at source shall be made if such FIIs furnish a TRC and a self-declaration stating that such FIIs do not have a business connection in India as defined in Explanation 2 to section 9(1)(i) of the Income Tax Act (along with the provisos thereto) or a permanent establishment in India, in terms of the DTAA entered between India and the country of tax residence of such FIIs. The FII will also be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in this Part VII – Compliance with Tax Requirements – paragraph 1(iv) of this Letter of Offer. Further, the Public Shareholder should obtain a NOC or Certificate for Deduction of Tax at Nil/Lower Rate from the appropriate income tax authorities indicating the amount of income on which tax should be deducted and the applicable rate of tax. If such a certificate is provided, the Acquirer will arrange to deduct taxes at source in accordance with such certificate. In the absence of such NOC/Tax Residence Certificate/certificates/declarations/ information/documents, the Acquirer and/or the PAC will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA.
- (iv) Notwithstanding anything contained in clauses (i) to (iii) above, in case FII furnishes a NOC or certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities the Acquirer will arrange to deduct taxes at source in accordance with such certificate.
- (v) Interest payments by the Acquirer for delay in payment of the Offer Price, if any, would also be subjected to deduction of tax at source at the maximum tax rate applicable under the Income Tax Act on the gross interest payable to the Public Shareholder, depending on category of the Public Shareholder. However, if the Public Shareholder provides a NOC or Certificate for Deduction of Tax at Nil/Lower Rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirer will arrange to deduct taxes at source in accordance with such certificate.
- (vi) All FIIs shall submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Public Shareholder, the Acquirer and/or the PAC will arrange to deduct tax at the rate of 20% (including surcharge and cess) (as provided in Section 206-AA of the Income Tax Act) or at the rate in force or at the rate, as may be applicable to the category of the FII Public Shareholder under the Income Tax Act, whichever is higher, on the entire consideration amount payable to such Public Shareholder
- (vii) Any FII claiming benefit under any DTAA between India and any other foreign country should furnish a TRC provided to it by the Government of such other foreign country of which it claims to be a tax resident and a self-declaration stating that the FII does not have a business connection in India as defined in Section 9(1)(i) of the Income Tax Act or a permanent establishment in India, in terms of the DTAA and the FII is eligible for claiming benefit under the DTAA entered between India and the country of its tax residence. Further, the FII will also be required to furnish such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in this Part VII – Compliance with Tax Requirements – paragraph 1(iv) of this Letter of Offer. In the absence of such Tax Residence Certificate / certificates / declarations / information / documents, the Acquirer and/or the PAC will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA.

#### **4. Tax Implications in case of resident Public Shareholders**

- (a) There would be no deduction of tax at source from the consideration payable in respect of the transfer of Equity Shares by a resident Public Shareholder. Such resident Public Shareholder will be liable to pay tax on their income as per the provisions of the Income Tax Act as applicable to them.
- (b) All resident Public Shareholders will be required to submit a NOC or Certificate for Deduction of Tax at Nil/Lower Rate from the income tax authorities under Section 197 of the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration for interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, if any. The Acquirer will deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Nil/Lower Rate.
- (c) In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, the Acquirer will deduct tax at the rates prescribed under section 194A of the Income Tax Act as may be applicable to the relevant category to which the Public Shareholder belongs under the Income Tax Act on the consideration payable as interest to such Public Shareholder.
- (d) All resident Public Shareholders shall submit a self-attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Public Shareholder, Acquirer will deduct tax at the rate of 20% (including surcharge and cess) (as provided under section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Public Shareholder under the Income Tax Act, whichever is higher.
- (e) Notwithstanding anything contained in clauses (ii) to (iv) above, no deduction of tax shall be made at source by the Acquirer where (i) the total amount of interest payable, if any, to a resident Public Shareholder does not exceed INR 5,000 or (ii) where a self-declaration as per Section 197A of the Income Tax Act in Form 15G or Form 15H (as per Rule 29C of the Income Tax Rules, 1962), as may be applicable, and duly executed, has been furnished to the Acquirer or (iii) interest being paid, if any, to an entity specified under Section 194A(3)(iii) of the Income Tax Act if it submits a self-attested copy of the relevant registration or notification. The self-declaration in Form 15G and Form 15H will not be regarded as valid unless the resident Public Shareholder has furnished its PAN in such declaration.

## **5. Tax Implications in foreign jurisdictions**

Apart from the above, the Acquirer is entitled to withhold Overseas Tax in accordance with the tax laws applicable in the overseas jurisdictions where the non-resident Public Shareholder is a resident for tax purposes. For this purpose, the non-resident Public Shareholder shall furnish a self-declaration stating the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Public Shareholder is a tax resident and the Acquirer will be entitled to rely on this representation at their sole discretion.

## **6. Others**

- (i) The tax implications are based on provisions of the Income Tax Act as amended up to Finance Act, 2014. In case of any amendment proposed in the Finance Bill, 2015 which has been made effective prior to the date of closure of this Offer, then the provisions of the Income Tax Act as amended by Finance Bill 2015 would apply.
- (ii) Notwithstanding the details given above, all payments will be made to Public Shareholders subject to compliance with prevailing tax laws.
- (iii) The tax deducted by the Acquirer while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of

the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Offer, before the income tax authorities.

- (iv) Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.
- (v) The Acquirer and the Managers do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.
- (vi) The Acquirer shall deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In an event of any income-tax demand (including interest, penalty etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Public Shareholders, such Public Shareholders will be responsible to pay such income-tax demand under the Income Tax Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.
- (vii) The Acquirer shall issue a certificate in the prescribed form to the Public Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of Section 203 of the Income Tax Act read with the Income-tax Rules, 1962.
- (viii) Public Shareholders who wish to tender their Equity Shares must submit the information set out at clauses (i) or (h) below, as applicable, along with the Form.
- (ix) Information requirement from non-resident Public Shareholder:
  - (i) Self-attested copy of PAN card;
  - (ii) NOC/ Certificate from the Income-tax Authorities for no/lower deduction of tax along with TRC and Form 10F and self-declaration stating that the non-resident Public Shareholder does not have a business connection in India as defined in Section 9(1)(i) of the Income Tax Act or a permanent establishment in India, in terms of the DTAA and the non-resident Public Shareholder is eligible for claiming benefit under the DTAA entered between India and the country of its tax residence ;
  - (iii) Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
  - (iv) In case of FII/FPI, self-attested declaration certifying the nature of income arising from the sale of Equity Shares is capital gains;
  - (v) SEBI registration certificate for FII/FPI; and
  - (vi) RBI and other approval(s) obtained for acquiring the Equity Shares, if applicable.
- (x) Information requirement in case of resident Public Shareholder:
  - (a) Self-attested copy of PAN card;
  - (b) Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);

- (c) If applicable, self-declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment, if any;
  - (d) NOC /Certificate from the income tax authorities (applicable only for the interest payment, if any) for no/lower deduction of tax; and
  - (e) For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any).
- (xi) In accordance with Notification No.86/2013 [F.No.504/05/2003-FTD-I]/So 3307(E) read with Press Release dated 1-11-2013 issued under section 94A of the Income Tax Act, the payments made by the Acquirer to non-resident Public Shareholders resident of Cyprus would be subjected to deduction of tax at source at the rate of 30% or the rates prescribed under the Act, whichever is higher.
- (xii) Public Shareholders who wish to tender their Equity Shares must submit the information all at once and those that may be additionally requested for by the Acquirer and/or the PAC. The documents submitted by the Public Shareholders will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer and/or the PAC may not be accepted. In case the documents/information as requested in this Letter of Offer are not submitted by an Public Shareholder, or the Acquirer and/or the PAC consider the documents/information submitted by an Public Shareholder to be ambiguous/incomplete/conflicting, the Acquirer and the PAC reserve the right to withhold tax on the gross consideration / interest at the maximum rate as applicable to the category of the Public Shareholder.
- (xiii) Based on the documents and information submitted by the Public Shareholders, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer and/or the PAC.
- (xiv) Taxes once deducted will not be refunded by the Acquirer and/or the PAC under any circumstances.

## **VIII. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection by Public Shareholders at the office of the Managers at HSBC Securities and Capital Markets (India) Private Limited, 52 / 60 Mahatma Gandhi Road, Fort, Mumbai 400 001 and Kotak Mahindra Capital Company Limited, 27BKC, 1st floor, Plot no. C-27, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, between 10:30 a.m. and 3:00 p.m. on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period (March 18, 2015) until the date of closure of the Tendering Period (March 31, 2015).

1. Certified copies of the Memorandum and Articles of Association and certificate of incorporation of the Acquirer;
2. Certificate dated December 23, 2014 from PriceWaterhouseCoopers LLP, having their office at 8 Cross Street #17-00, PWC Building, Singapore 048424, certifying that the Acquirer has adequate financial resources to fulfill their obligations under this Offer;
3. Certified copies of the annual reports and financial statements of the Acquirer for the three financial years ending on March 31, 2012, 2013 and 2014 and certified copies of audited special purpose financial statements for the Acquirer for the three months ended June 30, 2014;
4. Certified copies of the annual reports of Nirlon Limited for the three financial years ending on March 31, 2012, 2013 and 2014;
5. Letter dated 26 December, 2014 from the Open Offer Escrow Agent confirming the receipt of the cash deposit in the Open Offer Escrow Account;
6. Certified copies of the Agreements executed between the Acquirer and the Sellers;
7. Copy of the Public Announcement (including any corrigendum to it) submitted to the Stock Exchange on 23 December, 2014;
8. Copy of the Detailed Public Statement (including any corrigendum to it) published by the Managers on behalf of the Acquirer on 31 December, 2014;
9. Copy of the Offer Opening Public Announcement (including any corrigendum to it) to be published by the Managers on behalf of the Acquirer on 17 March, 2015;
10. Published copy of the recommendation to be made by the committee of the independent directors of Target Company in relation to the Offer;
11. SEBI observation letter no. CFD/DCR/OW/RK/6352/2015 dated 27 February, 2015 on the Draft Letter of Offer;
12. A copy of the documentation for opening a special depository account for the purpose of Offer; and
13. Open Offer Escrow Agreement dated 23 December, 2014 between the Acquirer, the Managers and the Open Offer Escrow Agent.



## **IX. DECLARATION BY THE ACQUIRER**

1. The Acquirer and their respective directors (as applicable) accept full responsibility for the information contained in the LoF.
2. The Acquirer also accepts full responsibility for its obligations under the Offer and shall be solely liable for ensuring compliance with the SEBI (SAST) Regulations.
3. The person(s) signing this LoF are duly and legally authorized by the Acquirer, as applicable, to sign the LoF.

**SIGNED FOR AND ON BEHALF OF RECO BERRY PRIVATE LIMITED**

**Authorized Signatory**

**Place: Singapore**

**Date: March 05, 2015**

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## INSTRUCTIONS

1. PLEASE NOTE THAT NO EQUITY SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE TARGET COMPANY OR TO THE MANAGERS TO THE OFFER.
2. The Form of Acceptance-cum-Acknowledgement should be filled-up in English only.
3. In the case of dematerialized Equity Shares, the Public Shareholders are advised to ensure that their Equity Shares are credited in favour of the Open Offer Escrow Demat Account, before the closure of the Tendering Period i.e. 31 March, 2015. The Form of Acceptance-cum-Acknowledgement of such dematerialized Equity Shares not credited in favour of the Open Offer Escrow Demat Account, before the closure of the Tendering Period will be rejected.
4. Public Shareholders should enclose the following:
  - a. **For Equity Shares held in demat form:**  
**Beneficial owners should enclose:**
    - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant ('DP').
    - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
    - Photocopy of the inter-depository delivery instruction slip if the beneficiary holders have an account with CDSL.
    - A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable
    - For each delivery instruction, the beneficial owners should submit separate Form of Acceptance-cum-Acknowledgement.

In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Open Offer Escrow Demat Account, the Acquirer may deem the Offer to have been accepted by the Public Shareholder in case of a resident Public Shareholder.

- b. **For Equity Shares held in physical form:**  
**Registered Public Shareholders should enclose:**
    - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Public Shareholders whose names appear on the share certificates.
    - Original share certificate(s)
    - A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificates from income tax authorities, as applicable
    - Valid share transfer form(s) duly signed as transferors by all registered Public Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Nirlon Limited and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with the Letter of Offer.
    - Verification and attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and Membership No. or a manager of the transferor's bank.
    - The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid share transfer form from a registered resident Public Shareholder, then the Offer will be deemed to have been accepted by such resident Public Shareholders.

### **Unregistered owners should enclose**

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
  - Original share certificate(s)
  - Original broker contract note
  - Valid share transfer form(s) as received from the market leaving details of buyer blank. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance. If the same is filled in then the Equity Share(s) are liable to be rejected
  - Owners of Equity Shares who have sent their Equity Shares for transfer should enclose along with this Form duly completed and signed, copy of the letter sent to Nirlon Limited for transfer of Equity Shares and valid share transfer form(s).
  - A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificates from income tax authorities, as applicable
5. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement and in the transfer form(s) as the order in which they hold Equity Shares in Nirlon Limited, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

6. All the Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
  - Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Public Shareholder) in case the original Public Shareholder is dead.
  - Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form of Acceptance-cum-Acknowledgement and / or transfer form(s).
7. All the Public Shareholders are advised to refer to Part VII - Compliance with Tax Requirements in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration to be received by them.
8. The share certificate(s), share transfer form(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to, the Registrar to the Offer and not to HSBC Securities and Capital Markets (India) Private Limited or Kotak Mahindra Capital Company Limited, the Managers to the Offer, the Acquirer or the Target Company.
9. Public Shareholders having their beneficiary account in CDSL have to use “inter depository delivery instruction slip” for the purpose of crediting their Equity Shares in favour of the Open Offer Escrow Demat Account with NSDL.
10. While tendering the Equity Shares under the Offer, NRIs / OCBs / foreign Public Shareholders will be required to submit the RBI and / or FIPB approvals (specific or general) that they would have obtained for acquiring the Equity Shares of the Target Company. If the Equity Shares are held pursuant to a general permission of RBI, the Non-Resident Public Shareholder should submit a copy of the relevant notification / circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered.

The acquisition of the Offer Shares from NRIs and erstwhile OCBs is subject to the approval or exemption from the RBI. Where any such statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer. Notwithstanding the RBI approval received by the Acquirer dated 24 February, 2015, any NRIs and OCBs may also choose to apply for all requisite approvals required to tender their respective Offer Shares and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.

NRI Public Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a repatriable basis (in which case the consideration can be remitted abroad) should (i) provide relevant proof of such holding on a repatriable basis viz. RBI approval (if applicable) or proof that such Equity Shares were purchased from funds from an NRE bank account or by way of foreign inward remittance; and (ii) furnish details of the type of the relevant bank account, i.e. NRE bank account, to which the consideration should be credited.

NRI Public Shareholders tendering their Equity Shares in the Offer and holding such Equity Shares on a non-repatriable basis should provide details of their Non-Resident (Ordinary) (“NRO”) bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that details of an NRO bank account are not furnished, the Equity Shares tendered by such NRI Public Shareholders would be rejected. Alternatively, if such an NRI Public Shareholder wishes to receive the consideration in an NRE bank account, such NRI Public Shareholder should provide a specific RBI approval permitting consideration to be credited to such bank account, based on which the consideration cheque or demand draft constituting payment of purchase consideration will be drawn. In the event that such a specific RBI approval and the details of such designated bank account are not furnished, the Equity Shares tendered by such NRI Public Shareholders would be liable for rejection.

11. Non-Resident Public Shareholders should enclose no objection certificate / certificate for deduction of tax at a lower rate from the income tax authorities under the Income Tax Act, 1961 indicating the tax to be deducted if any by the Acquirer before remittance of consideration. Otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category and status of the Public Shareholder (as registered with the depositories / Target Company) on full consideration payable by the Acquirer.
12. FIIs / FPIs are requested to enclose the SEBI Registration Certificate. In case of a company, a stamp of the company should be affixed on the Form of Acceptance-cum-Acknowledgement. A company / FII / FPI / OCB should furnish necessary authorization documents along with Specimen Signatures of Authorised Signatories.
13. All documents / remittances sent by or to Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard. Equity Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners’ depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
14. Neither the Acquirer, the Managers to the Offer, the Registrar to the Offer nor Nirlon Limited will be liable for any delay / loss in transit resulting in delayed receipt / non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your Equity Shares to the Open Offer Escrow Demat Account or submission of original physical Share certificates with inaccurate / incomplete particulars / instructions on your part, or for any other reason.
15. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the collection centres of the Registrar to the Offer as mentioned below.

The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar to the Offer at the collection centres mentioned below on all days (excluding Saturdays, Sundays and Public holidays) during the business hours i.e. (Monday to Friday between 10:00 a.m. to 4:00 p.m.) during the Tendering Period.

16. All the Public Shareholders should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
17. In case the Acquirer is of the view that the information / documents provided by the Public Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the Public Shareholders.
18. **Payment of Consideration:** Public Shareholders must note that on the basis of name of the Public Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain from the Depositories, the Public Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Public Shareholders. Hence Public Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Public Shareholders sole risk and neither the Acquirer, the Managers to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Public Shareholders for any loss caused to the Public Shareholders due to any such delay or liable to pay any interest for such delay. Public Shareholders holding Equity Shares in physical form are requested to fill up their bank account details in the 'Form of Acceptance-cum-Acknowledgement'.

*The tax deducted under this Offer is not the final liability of the Public Shareholders or in no way discharges the obligation of Public Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns.*

*All Public Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Managers to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.*

#### Collection Centres

SL. No.	Collection Centre	Address of Collection Centre	Contact person	Phone No. / Fax No. and Email Id	Mode of delivery
1.	Mumbai	Karvy Computershare Pvt Ltd, 24-B, Rajabahadur Mansion, Gr Floor, 6 Ambalal Doshi Marg, Behind BSE Ltd, Fort, Mumbai-400001	Ms.Nutan Shirke	Phone: 022-66235454 /66235412/27 Fax: 022-66331135 Email: irefort@karvy.com/ nutan.shirke@karvy.com	Hand Delivery
2.	New Delhi	Karvy Computershare Pvt Ltd, 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi - 110 001	Mr. Rakesh Kr Jamwal / Mr. Vinod Singh Negi /Mr.John Mathew	Phone: 011-43681700 / 1798 Fax: 011-41036370 Email: rakesh.jamwal@karvy.com/ john.mathew@karvy.com Vinod.negi@karvy.com	Hand Delivery
3.	Ahmedabad	Karvy Computershare Pvt Ltd, 201-203, Shail, Opp: Madhusudhan House, Behind Girish Cold Drinks, Off C G Road Ahmedabad – 380006	Mr. Aditya Gupta/ Ms.Jagruthi	Phone: 079- 26400527 / 65150009 Fax: NA Email: ahmedabad@karvy.com	Hand Delivery
4.	Chennai	Karvy Computershare Pvt Ltd, No.F11 First Floor , Akshya Plaza , New no.108 , Adhithanar Salai , Egmore, Chennai - 600 002 (Landmark: Opp. Metropolitan court)	Mr. Karthikeyan/ Mr. Ramakrishna	Phone: 044-28587781 / 42028513 Fax: NA Email: chennaiire@karvy.com	Hand Delivery
5.	Hyderabad	Karvy Computershare Pvt Ltd, Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500081	Mr. Bhakta Singh	Phone: 040-44655000/ 23420818-23 Fax: 040-23431551 Email: ircmadhapur@karvy.com	Hand Delivery/ Registered Post
6.	Kolkata	Karvy Computershare Pvt Ltd, 49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta - 700 029	Mr. Sujit Kundu / Mr. Debnath	Phone: 033- 6619 2841 / 42 Fax: 033-24644866 Email: sujit.kundu@karvy.com / nilkanta.debnath@karvy.com	Hand Delivery

SL. No.	Collection Centre	Address of Collection Centre	Contact person	Phone No. / Fax No. and Email Id	Mode of delivery
7.	Bengaluru	Karvy Computershare Pvt Ltd, No.59, Skanda, Putana Road, Basavanagudi Bengaluru - 560 004	Mr. S K Sharma/ Mr. Mahadev	Phone: 080- 26621192 / 26606125 / 67453244 Fax: 080-26621169 Email: ircbangalore@karvy.com	Hand Delivery

**Collection Centre Timings - Between 10:00 a.m. and 4:00 p.m. on any Working Day (Monday - Friday)**

Applicants who cannot hand deliver their documents at the Collection Centres, may send their documents only by Registered Post / Courier, at their own risk, to the Registrar to the Offer at the Collection Centre situated at **Hyderabad** so as to reach the Registrar to the Offer on or before the last date of acceptance i.e. **31 March, 2015**.

**PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. 31 MARCH, 2015, SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.**

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**  
**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

(Please send this form with enclosures to Karvy Computershare Private Limited at any of the collection centres mentioned in the Letter of Offer)

Name:  
Address:  
Floor / Door / Block No:  
Area / Locality:  
Town / City / District:  
State:  
Country:  
Zip / Pin Code:  
Principal Place of Business:

TENDERING PERIOD FOR THE OFFER	
OPENS ON	18 March, 2015
CLOSES ON	31 March, 2015

Tel No. (including ISD Code):

Fax No.:

Email:

To, <b>Karvy Computershare Private Limited</b> Unit: Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081, Andhra Pradesh, India Contact person: Mr. Muralikrishna Tel: +91 40 2342 0818 – +91 40 4465 5000 Toll free no: 1-800-3454-001; Fax: +91 40 234 31551; Email: murali.m@karvy.com	Status of the Public Shareholder (Please tick whichever is applicable)			
	<input type="checkbox"/> Individual	<input type="checkbox"/> Company	<input type="checkbox"/> FII / FPI - Corporate	<input type="checkbox"/> FII / FPI - Others
	<input type="checkbox"/> QFI	<input type="checkbox"/> FVCI	<input type="checkbox"/> Partnership / Proprietorship firm / LLP	<input type="checkbox"/> Private Equity Fund
	<input type="checkbox"/> Pension / Provident Fund	<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Financial Institution
	<input type="checkbox"/> NRIs / PIOs - repatriable	<input type="checkbox"/> NRIs / PIOs - non-repatriable	<input type="checkbox"/> Insurance Company	<input type="checkbox"/> OCB
	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Banks	<input type="checkbox"/> Association of person / Body of individual	<input type="checkbox"/> Any others, please specify: _____

Dear Sir / Madam,

**Sub:**

**OPEN OFFER FOR ACQUISITION OF UP TO 25,600,000 EQUITY SHARES OF NIRLON LIMITED TO THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY BY RECO BERRY PRIVATE LIMITED ("ACQUIRER")**

I / We refer to the Letter of Offer dated 05 March, 2015 for acquiring the Equity Shares held by me / us in Nirilon Limited. Capitalised terms not defined here shall have the meanings ascribed to them under the Letter of Offer.

I / We, the undersigned, have read the Public Announcement, the Corrigendum to the Public Announcement, the Detailed Public Statement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

**FOR EQUITY SHARES HELD IN PHYSICAL FORM**

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

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
<b>Total No. of Equity Shares</b>					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

**FOR EQUITY SHARES HELD IN DEMAT FORM**

I / We, holding the Equity Shares in dematerialized form, accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my / our DP in respect of my / our Equity Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I / We have executed an off-market transaction for crediting the Equity Shares to the Open Offer Escrow Demat Account with Karvy Stock Broking Limited as the DP in NSDL styled '**KCPL ESCROW ACCOUNT - Nirilon Limited – OPEN OFFER**' whose particulars are:

<b>DP Name: Karvy Stock Broking Ltd</b>	<b>DP ID: IN300394</b>	<b>Client ID: 19008494</b>
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Public Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Equity Shares in favour of the Open Offer Escrow Demat Account with NSDL.

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

I / We confirm that I / We are not person acting in concert with any of the parties to the Agreement.

I / We also note and understand that the obligation on the Acquirer to pay the purchase consideration arises only after verification of the certification, documents and signatures submitted along with this Form of Acceptance-cum-Acknowledgment by the Public Shareholders.

I / We confirm that there are no tax or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961. I / We are not debarred from dealing in Equity Shares.

I / We confirm that in case the Acquirer is of the view that the information / documents provided by the Public Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the Public Shareholders.

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

I / We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me / us by the Registrar to the Offer until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer. I / We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I / We authorize the Acquirer or the Registrar to the Offer to send by Speed Post / Registered Post / or through electronic mode, as may be applicable, at my / our risk, the crossed account payee cheque, demand draft / pay order, or electronic transfer of funds in full and final settlement due to me / us and / or other documents or papers or correspondence to the sole / first holder at the address mentioned above.

I / We note and understand that the Equity Shares would lie in the Open Offer Escrow Demat Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer. I / We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Managers to the Offer and in terms of the Letter of Offer and I / we further authorize the Acquirer to return to me / us, share certificate(s) in respect of which the offer is not found valid / not accepted without specifying the reasons thereof.

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

I / We authorize the Acquirer to split / consolidate the share certificates comprising the Equity Shares that are not acquired to be returned to me / us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

**PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. 31 MARCH, 2015, SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.**

So as to avoid fraudulent encashment in transit, Public Shareholder(s) holding Equity Shares in physical form and / or those who wish to receive payment of consideration through ECS should provide details of bank account along with a cancelled copy of the cheque of the first / sole Public Shareholder and the consideration amount will be remitted accordingly through electronic credit / cheque or demand draft.

Name of the Bank		Branch	City
MICR Code (9 Digits)		IFSC	
Account Number (CBS Account):	Account Type (CA / SB / NRE / NRO / others) (please specify):		
Non Resident Public Shareholders are requested to state their NRO / NRE Bank Account Number as applicable based on the status of their account in which they hold Equity Shares, failing which the Acquirer has a right to reject their application.			

For Equity Shares that are tendered in electronic form, the bank account details as contained from the beneficiary position provided by the depository will be considered for the purpose of payment of Offer consideration through electronic means and the demand draft / warrant / cheque, if required, may be issued with the bank particulars mentioned herein above.

**For all Public Shareholders**

I / We, confirm that our residential status for the purposes of tax is:

☐ Resident ☐ Non-resident, if yes please state country of tax residency: \_\_\_\_\_

I / We, confirm that our status is:

<input type="checkbox"/> Individual	<input type="checkbox"/> Company	<input type="checkbox"/> FII / FPI Corporate	<input type="checkbox"/> FII / FPI - Others	<input type="checkbox"/> QFI	<input type="checkbox"/> FVCI
<input type="checkbox"/> Partnership / Proprietorship firm / LLP	<input type="checkbox"/> Pension / Provident Fund	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> NRIs / PIOs - repatriable	<input type="checkbox"/> NRIs / PIOs - non-repatriable	<input type="checkbox"/> Insurance Company
<input type="checkbox"/> OCB	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Banks	<input type="checkbox"/> Association of person / Body of individual	<input type="checkbox"/> Any other - please specify _____	

I / We, have enclosed the following documents:

- ☐ Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required
- ☐ Self-attested copy of PAN card
- ☐ No objection certificate / Tax clearance certificate from income tax authorities for deduction of tax at lower rate, wherever applicable
- ☐ Duly attested power of attorney if any person apart from the Public Shareholder has signed the application form and / or transfer deed(s)
- ☐ Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories
- ☐ Death Certificate / Succession Certificate if the original Public Shareholder is deceased



**Additional confirmations and enclosures for Resident Public Shareholders**

I / We, have enclosed the following documents:

- ☐ Self-declaration form in Form 15G / Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any)
- ☐ Self-attested copy of PAN card
- ☐ Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify)
- ☐ No objection certificate / Tax clearance certificate from income tax authorities for deduction of tax at lower rate (applicable only for interest payment, if any)
- ☐ For Mutual funds / Banks / Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, 1961, copy of relevant registration or notification (applicable only for interest payment, if any)

*(Note: All Resident Public Shareholders are advised to refer to paragraph (6)(i) of Part VIII - Compliance with Tax Requirements of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them)*

**Additional confirmations and enclosures for FII / FPI Public Shareholders**

I / We, confirm that the Equity Shares of the Target Company are held by me / us on (select whichever is applicable):

- ☐ Investment / Capital Account and income arising from sale of shares is in the nature of capital gain ☐ Trade Account and the income arising from sale of shares is in the nature of business income ☐ Any other (please specify) \_\_\_\_\_

*(Note: In case the Equity Shares are held on trade account, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, specifying the rate at which tax shall be deducted. In the absence of such a certificate tax will be deducted at the maximum marginal rate, applicable to the category to which such FII / FPI belongs, on the entire consideration payable)*

**Declaration for treaty benefits (please ☐ the box if applicable):**

☐ I / We confirm that there I / we is / are tax resident/s of \_\_\_\_\_ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am / we are tax resident/s.

*(Note: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable to the category to which such FII / FPI belongs)*

In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residence certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence, along with such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the maximum marginal rate.

I / We, have enclosed self-attested copies of the following documents (select whichever is applicable):

- ☐ SEBI Registration Certificate for FIIs / FPI ☐ Self-attested copy of PAN card
- ☐ RBI approval for acquiring Equity Shares of Nirlon Limited tendered herein, if applicable
- ☐ Self-declaration for no permanent establishment in India ☐ Tax residency certificate from Government of the Country or Specified Territory of which you are tax resident
- ☐ No objection certificate / Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate, wherever applicable
- ☐ Other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act (refer paragraph (1)(d) of Part VII - Compliance with Tax Requirements of the Letter of Offer)
- ☐ Other documents and information as mentioned in paragraph (6)(i) of Part VII - Compliance with Tax Requirements of the Letter of Offer.
- ☐ FII / FPI Certificate (self-attested declaration certifying the nature of income arising from the sale of Equity Shares, whether capital gains or otherwise)

**Additional confirmations and enclosures for other Non-resident Public Shareholders (except FIIs / FPI)**

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

- ☐ Repatriable basis ☐ Non-repatriable basis

I / We, confirm that the tax deduction on account of Equity Shares of Target Company held by me / us is to be deducted on (select whichever is applicable):

- ☐ Long-term capital gains (Equity Shares are held by me / us for more than 12 (twelve) months)
- ☐ Short-term capital gains (Equity Shares are held by me / us for 12 (twelve) months or less)
- ☐ Trade Account ☐ Any other (please specify) \_\_\_\_\_

*(Note: For determination of the nature and period of holding, kindly enclose a proof for date of purchase such as demat account statement or brokers note. In case the Equity Shares are held on trade account, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, specifying the rate at which tax shall be deducted. In the absence of such a certificate tax will be deducted at the maximum marginal rate, applicable to the category to which such FII / FPI belongs, on the entire consideration payable)*

**Declaration for treaty benefits (please ☐ if applicable):**

☐ I / We confirm that I / we is / are tax resident/s of \_\_\_\_\_ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am / we are tax resident/s.

*(Note: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable to the category to which such Public Shareholder belongs.)*

In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residence certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence, along with such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act. In case there is a

permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the maximum marginal rate.

I / We note and understand that I/We have the following options with regards to the Equity Shares being offered by me/us to the Acquirer under this offer (either “a” or “b” below)

- a. To secure RBI approval through their own Authorised Dealer Bank (“AD Bank”) along with a letter from their AD Bank stating that the conditions mentioned in the RBI approval have been complied.
- b. HSBC to secure RBI approval centrally for all NRI shareholders in which case the surrendering shareholders should provide a NOC stating that the shares are acquired and held (by the surrendering shareholders) in compliance with the extant FEMA regulations and that the AD Bank has done all necessary FEMA reporting. It should be further confirmed in the NOC that the conditions in the RBI approval for transfer of such shares to non-resident acquirer under the open offer have been complied.
- c. If the NRI shareholder does not comply with (a) or (b) above, the Equity Shares being offered by me/us would be rejected
- d. Format of NOC (refer below) enclosed from the AD Bank of the surrendering shareholder

I / We, have enclosed the following documents (select whichever is applicable):

- ☐ Self-declaration for no permanent establishment in India ☐ Self-attested copy of PAN card
- ☐ Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident
- ☐ No objection certificate / Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate, wherever applicable
- ☐ Copy of RBI / FIPB approval, if any, for acquiring Equity Shares of Target Company hereby tendered in the Offer and RBI approval evidencing the nature of shareholding, i.e. repatriable or non-repatriable basis, if applicable
- ☐ Proof for period of holding of Equity shares such as demat account statement or brokers note
- ☐ Other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act (refer paragraph (1)(d) of Part VII - Compliance with Tax Requirements of the Letter of Offer)
- ☐ Other documents and information as mentioned in paragraph (6)(i) of Part VII - Compliance with Tax Requirements of the Letter of Offer.
- ☐ Copy of RBI approval for OCBs tendering their Equity Shares in the Offer. Also mention the source of funds for initial acquisition of Equity Shares and the nature of the holding of Equity Shares (repatriable / non-repatriable basis).
- ☐ Copy of RBI approval (For NRI Public Shareholders tendering their Equity Shares in the Offer held on a non-repatriable basis) if any, permitting consideration to be credited to an NRE bank account
- ☐ Format of NOC enclosed from the AD Bank of the surrendering shareholder as provided below

To,  
The Manager  
HSBC Bank

Sub:- No Objection for tendering the shares of Nirlon Limited by \_\_\_\_\_ (Name of the customer) under the open offer scheme.

We hereby certify that Mr/Mrs \_\_\_\_\_ (Name of Customer) is maintaining \_\_\_\_\_ (Type of account) with our Bank. We understand that he/she has tendered \_\_\_\_\_ (Number of shares) shares under the open offer scheme and confirm that the shares were acquired and held by him/her in compliance with the applicable FEMA guidelines.

We confirm that the conditions mentioned in the RBI approval for transfer of such shares to non-resident acquirer under the open offer have been complied.

We further confirm that necessary reporting for said issuance/acquisition of shares has been done to RBI.

Regards  
sd/-  
(Authorised signatory of AD Bank along with seal)

#### **Overseas tax to be deducted**

I / We confirm that the details of overseas tax to be deducted on the consideration payable by the Acquirer is as follows:

Amount of overseas tax	
Rate at overseas tax is to be deducted on the gross consideration	
Country in which the overseas tax has to be deposited	
Details of authority with whom such overseas tax has to be deposited	

I / We agree to indemnify and keep harmless the Acquirer against any loss, damages, harm, costs, charges and expenses (including reasonable legal fees at actuals) by reason of any pledged Equity Shares tendered by me / us being purchased by the Acquirer including, but not limited to, any breach of the abovementioned representation and warranty.

Yours faithfully,

Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			

Joint Holder 3			
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Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed and necessary Board resolutions should be attached.

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

-----Tear along this line -----

**Acknowledgement Slip** (To be filled in by the Public Shareholder)

**Nirlon Limited - Open Offer**

**Sr. No.**

\_\_\_\_\_

Received from Mr. / Ms. /

M/s. \_\_\_\_\_

Address

\_\_\_\_\_

Physical shares: Folio No. \_\_\_\_\_ / Demat shares: DP ID \_\_\_\_\_; Client  
ID \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement along with (Please put tick mark in the box whichever is applicable):

☐ Physical shares: No. of shares \_\_\_\_\_; No. of certificates enclosed \_\_\_\_\_; Share Transfer  
Form

☐ Demat shares: Copy of delivery instruction for \_\_\_\_\_ shares enclosed; and copy of inter-depository delivery slip (for

beneficiary holders maintaining an account with CDSL).

Date of Receipt \_\_\_\_\_ Signature of Official \_\_\_\_\_

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<b>Collection Centre Stamp</b>

**All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:**

Karvy Computershare Private Limited

**Unit:** Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081, Andhra Pradesh, India

Contact person: Mr. Muralikrishna

Tel: +91 40 2342 0818 – +91 40 4465 5000 / Toll free no: 1-800-3454-001; Fax: +91 40 234 31551; Email: murali.m@karvy.com