

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer ('DLof') is sent to you as a Shareholder(s) of PC Products India Limited (*formerly known as Jayavant Industries Limited*) ('PC'/'Target Company'). If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer to the Members of the Stock Exchange through whom the said sale was affected.

OPEN OFFER BY**Mr. Mohammed Aejaz Habeeb ('Acquirer 1')**

Residing at 3-5-1092/A/1, Venkateshwara Colony, Narayanaguda, Hyderabad-500 029, Telangana

Contact No.: +91 98480 34860, E-Mail: aejazhabeeb@hotmail.com

Mr. Syed Ameer Basha Paspala ('Acquirer 2')

Residing at 3-5-167, Flat no. 202, Lakshmi Residency, Venkateshwara Colony, Narayanaguda, Hyderabad-500 029, Telangana

Contact No.: +91 94949 43848, E-Mail: syedpaspala@gmail.com

Mr. Kalidindi Krishnam Raju ('Acquirer 3')

Residing at 8-2-293/82/J/11112, Plot No. 12, Road No. 82, Jubilee Hills, Hyderabad-500 033, Telangana

Contact No.: +91 98494 33333, E-Mail: kalidindikr@gmail.com

Mrs. Kalidindi Sarada Vijaya Kumari ('PAC 1')

Residing at 8-2-293/82/J/111/12, Plot No.12, Road No. 82, Jubilee Hills, Hyderabad-500 033, Telangana

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Ms. Kalidindi Nirusha ('PAC 2')

Residing at 8-2-293/82/J/111/12, Plot No.12, Road No. 82, Jubilee Hills, Hyderabad-500 033, Telangana

Contact No.: +91 96180 69605, E-Mail: niru.nnn@gmail.com

Mrs. Penmetsa Parvathi ('PAC 3')

Residing at Door No. 2-19, Unudurru Undi Mandal, West Godavari District, Andhra Pradesh-534 186

Contact No.: +91 94409 14511, E-Mail: pparvathi069@gmail.com

to the existing shareholders of

PC PRODUCTS INDIA LIMITED

(formerly known as Jayavant Industries Limited)

(CIN: L85110TG1996PLC099198)



Registered Office: 4-7-375/A, Television Hotel Lane, Esamia Bazar, Hyderabad-500 027, Telangana

Contact No.: +91 90300 57370, E-Mail ID: pcproductsindia@gmail.com,

Website: www.pcproductslimited.com

to acquire upto 26,67,300 Equity Shares of ₹10 each representing 26% of Emerging Voting Capital of the Target Company at a price of ₹10 (Rupees Ten only) per Equity Share ('Offer Price'), payable in cash

- This Offer is being made by the Acquirers and the PACs pursuant to Regulation 3(1) and 4 of SEBI (SAST) Regulations 2011.
- This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.
- As on date of this Letter of Offer, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Open Offer. However, the Open Offer would be subject to all the statutory approvals that may become applicable at a later date but before completion of the Open Offer.
- If there is any upward revision in the Offer Price/Offer Size at any time up to three (3) working days prior to commencement of the Tendering Period i.e. November 16, 2016 (Wednesday) in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement ('DPS') was published. Such revised Offer Price would be payable to all the Shareholders, who have validly tendered their shares anytime during the Tendering Period to the extent their Shares have been verified and accepted under the Offer, by the Acquirers and the PACs. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, 2011, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the DPS had been published.
- **There was no Competitive Bid.**
- A copy of the Public Announcement ('PA'), Detailed Public Statement ('DPS') and this Letter of Offer ('DLof') are also available on the website of Securities and Exchange Board of India ('SEBI') at www.sebi.gov.in.

MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
	Mark Corporate Advisors Private Limited CIN: U67190MH2008PTC181996 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057. Maharashtra Telefax.: +91 22 2612 3207/08 E-Mail: openoffer@markcorporateadvisors.com Contact Person: Mr. Manish Gaur SEBI Reg. No.: INM000012128		Venture Capital & Corporate Investments Private Limited CIN: U65993TG1986PTC006936 12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana Tel No.: +91 40 2381 8475/76/2386 8023 Fax No.: +91 40 2386 8024 E-Mail: info@vccilindia.com, pv.srinu@hotmail.com Contact Person: Mr. P V Srinivasa Rao/ Mr. E S K Prasad Website: www.vccilindia.com SEBI Reg. No.: INR000001203
Offer Opens on:	Tuesday, November 22, 2016	Offer Closes on:	Monday, December 05, 2016

SCHEDULE OF ACTIVITIES PERTAINING TO THE OFFER:

Nature of Activity	Original Day & Date	Revised Day & Date
Date of the PA	Wednesday, August 24, 2016	Wednesday, August 24, 2016
Date of publishing the Detailed Public Statement	Tuesday, August 30, 2016	Tuesday, August 30, 2016
Last date for filing of Draft Letter of Offer with SEBI	Wednesday, September 07, 2016	Wednesday, September 07, 2016
Last date of a competing offer	Thursday, September 22, 2016	Thursday, September 22, 2016
Latest date by which SEBI's observations will be received	Thursday, September 29, 2016	Thursday, November 03, 2016
Identified Date*	Monday, October 03, 2016	Monday, November 07, 2016
Last date by which the Letter of Offer will be dispatched to the Shareholders (<i>Except the Acquirers and the PACs, and the Promoter/Seller of the Target Company</i>) as on the identified date	Monday, October 10, 2016	Tuesday, November 15, 2016
Last Date for revising the Offer Price/number of shares	Thursday, October 13, 2016	Wednesday, November 16, 2016
Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	Monday, October 17, 2016	Friday, November 18, 2016
Date of Public Announcement for Opening the Offer	Tuesday, October 18, 2016	Monday, November 21, 2016
Date of Commencement of the Tendering Period (Offer opening date)	Wednesday, October 19, 2016	Tuesday, November 22, 2016
Date of Closing of the Tendering Period (Offer closing date)	Wednesday, November 02, 2016	Monday, December 05, 2016
Last date for communicating Rejection/acceptance and payment of consideration for accepted equity shares or equity share certificate/return of unaccepted share certificates/credit of unaccepted shares to Demat Account	Thursday, November 17, 2016	Tuesday, December 20, 2016

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent. It is clarified that all the Shareholders (registered or unregistered) of the Target Company (except the Acquirers and the PACs, and the Promoter/Seller of the Target Company) are eligible to participate in this Offer any time during the tendering period of the Offer.*

RISK FACTORS:

Given below are the risks related to the proposed Offer and those associated with the Acquirers and the PACs:

Relating to the Proposed Offer:

- 1) This Offer is not subject to the receipt of any Statutory Approvals. If any other statutory approvals are required or become applicable at a later date and therefore, in the event that either the statutory approvals or regulatory approvals, if any, are not received in a timely manner or there is any litigation to stay the Offer, or SEBI instructs the Acquirers and the PACs not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of Target Company, whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers and the PACs, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirers and the PACs for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirers and the PACs agreeing to pay interest for the delayed period, if directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- 2) In case of over-subscription in the Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- 3) Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw their shares, even if the acceptance of equity shares under this Offer and despatch of consideration are delayed.

Relating to the Acquirers and the PACs:

- 1) The Acquirers and the PACs makes no assurance with respect to the financial performance of the Target Company and their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- 2) The Acquirers and the PACs cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
- 3) The Acquirers and the PACs and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement ('PA')/Detailed Public Statement ('DPS')/Draft Letter of Offer ('DLoF')/Letter of Offer ('LoF') and anyone placing reliance on any other sources of information, not released by the Acquirers and the PACs, would be doing so at his / her / its own risk.

The Risk Factors set forth above pertain to the Offer and does not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer.

Table of Contents

1. ABBREVIATIONS/DEFINITIONS.....	1
2. DISCLAIMER CLAUSE.....	3
3. DETAILS OF THE OFFER.....	3
3.1 BACKGROUND OF THE OFFER.....	3
3.2 DETAILS OF THE PROPOSED OFFER.....	6
3.3 OBJECT OF THE OFFER.....	7
4. BACKGROUND OF THE ACQUIRERS AND THE PACs.....	7
5. BACKGROUND OF THE TARGET COMPANY-PC PRODUCTS INDIA LIMITED.....	12
6. OFFER PRICE AND FINANCIAL ARRANGEMENTS.....	15
6.1 JUSTIFICATION OF OFFER PRICE.....	15
6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS.....	17
7. TERMS AND CONDITIONS OF THE OFFER.....	18
7.1 OPERATIONAL TERMS AND CONDITIONS.....	18
7.2 LOCKED-IN SHARES.....	18
7.3 ELIGIBILITY FOR ACCEPTING THE OFFER.....	18
7.4 STATUTORY APPROVALS.....	19
8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER.....	19
9. DOCUMENTS FOR INSPECTION.....	22
10. DECLARATION BY THE ACQUIRERS AND THE PACS.....	24

1. ABBREVIATIONS/DEFINITIONS

Acquirers	Mr. Mohammed Aejez Habeeb (‘Acquirer 1’), Mr. Syed Ameer Basha Paspala (‘Acquirer 2’) and Mr. Kalidindi Krishnam Raju (‘Acquirer 3’) collectively being, the “Acquirers”
ASE	Ahmedabad Stock Exchange Limited, Ahmedabad
BSE	BSE Limited, Mumbai
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956 and Companies Act, 2013
CP	Conditions Precedent
DP	Depository Participant
DPS / Detailed Public Statement	Detailed Public Statement relating to the Offer published on August 30, 2016 (Tuesday)
Eligible Persons for the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at any time before the Closure of the Offer (<i>except the Acquirers and the PACs, and the Promoter/Seller of the Target Company</i>)
Emerging Voting Capital	Paid-up Equity Share Capital of ₹10,25,87,060 comprising of 1,02,58,706 Equity Shares of ₹10 each
Equity Shares	Fully paid-up Equity Shares of the Target Company of the Face Value of ₹10 (Rupees Ten only) each
Escrow Account	Shall have the meaning given to it in paragraph 6.2 of this Draft Letter of Offer
Escrow Amount	Shall have the meaning given to it in paragraph 6.2 of this Draft Letter of Offer
Escrow Bank	Kotak Mahindra Bank Limited
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investors registered with SEBI
Identified Date	November 07, 2016 (Monday) i.e. date falling on the tenth (10 th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Public Shareholders to whom this Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
KBSPL	Krisani Bio Sciences Private Limited
₹/ INR / Rs.	Indian Rupees, the legal currency of India
LoF	Letter of Offer dated November 07, 2016
Manager / Manager to the Offer	Mark Corporate Advisors Private Limited
MSEI	Metropolitan Stock Exchange of India Limited, Mumbai
MICR	Magnetic Ink Character Recognition
NA/N.A.	Not Applicable
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target Company
NRI	Non-Resident Indian
OCBs	Overseas Corporate Bodies
Offer period	Period from the date of entering into an agreement, to acquire Shares, Voting Rights in, or control over a Target Company requiring a Public Announcement, or the date of Public Announcement, and the date on which the payment of consideration to Shareholders who have accepted the Open Offer is made, or the date on which the Open Offer is withdrawn
Offer/Open Offer	The Open Offer is made by the Acquirers and the PACs to the Public Shareholders to acquire upto 26,67,300 Equity Shares, representing 26% of the Emerging Voting Capital of the Target Company
Offer Price	₹10 (Rupees Ten only) per Equity Share
Offer Size	Upto 26,67,300 Equity Shares representing 26% of the Emerging Voting Capital of the Target Company at a price of ₹10 (Rupees Ten

	only) per equity share, aggregating to ₹2,66,73,000 (Rupees Two Crores Sixty Six Lacs and Seventy Three Thousand only)
PA / Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirers and the PACs on August 24, 2016 (Wednesday)
PACs	Mrs. Kalidindi Sarada Vijaya Kumari (“PAC 1”), Ms. Kalidindi Nirusha (“PAC 2”) and Mrs. Penmetsa Parvathi (‘PAC 3’) collectively being, the “PACs”
Promoter	Promoter of PC Products India Limited as per Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) 2015
Public Shareholder(s)	The Equity Shareholder(s) of the Target Company other than the Acquirers and the PACs, and the Promoter/Seller of the Target Company
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Venture Capital & Corporate Investments Private Limited
RTGS	Real Time Gross Settlement
Sale Shares	21,00,000 Equity Shares of ₹10 each of PC Products India Limited
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, and subsequent amendments thereof
SEBI (SAST) Regulations, 2011/ SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
Seller/Selling Shareholder	Mr. Arun Kumar Bhangadia, Promoter of the Target Company
Share Capital	53,88,100 Equity Shares of ₹10 each as on the date of PA
SPA/Agreement	Share Purchase Agreement entered on August 24, 2016
Stock Exchange(s)	BSE Limited, Metropolitan Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited
Target Company/PC	PC Products India Limited
Tendering Period	Period within which Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e. the period between and including November 22, 2016 (Tuesday) and December 05, 2016 (Monday)

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE SHAREHOLDERS OF PC PRODUCTS INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS AND THE PACS OR THE COMPANY WHOSE SHARES AND 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 ACQUIRERS AND THE PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS AND THE PACS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, MARK CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED, SEPTEMBER 02, 2016 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS AND THE PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 BACKGROUND OF THE OFFER

3.1.1. This Open Offer is being made by Mr. Mohammed Aejaaz Habeeb ('Acquirer 1'), Mr. Syed Ameer Basha Paspala ('Acquirer 2') and Mr. Kalidindi Krishnam Raju ('Acquirer 3') (hereinafter referred to as 'Acquirers') and Mrs. Kalidindi Sarada Vijaya Kumari ('PAC 1'), Ms. Kalidindi Nirusha ('PAC 2') and Mrs. Penmetsa Parvathi ('PAC 3') (hereinafter referred to as 'PACs') to the Equity shareholders of PC Products India Limited (hereinafter referred to as "PC"/"Target Company") pursuant to and in compliance with regulation 3(1) and 4 of SEBI (SAST) Regulations, 2011 to acquire upto 26,67,300 Equity Shares of ₹10 each representing 26% of the Emerging Voting Capital of the Target Company ('Offer Size') at a price of ₹10 (Rupees Ten only) per Equity Share ('Offer Price'), payable in cash, subject to the terms and conditions set out in the PA, DPS and the LoF that will be sent to the Public Shareholders of the Target Company.

3.1.2. The details of the Transactions which triggered the Open Offer are as under:

a) The Acquirers have entered into a Share Purchase Agreement ('SPA') with the existing Promoter (hereinafter referred to "Selling Shareholder"/"Seller") of the Target Company for 21,00,000 Equity Shares representing 20.47% of the Emerging Voting Capital of the Target Company. The detail of the same are as under:

Sr. No.	Name, PAN & Address	Part of Promoter Group (Yes/No)	Details of Shares/Voting Rights held by the Selling Shareholder					
			Pre Transaction			Post Transaction		
			No of shares	% vis a vis total Share Capital	% vis a vis Emerging Voting Capital	No of Shares	% vis a vis total Share Capital	% vis a vis Emerging Voting Capital
1)	Mr. Arun Kumar Bhangadia PAN: AAOPB 7586 N Address: 8-2-684/1/2, Flat No. G-6, Rock Levelz Apartment, Road No. 12, Banjara Hills, Hyderabad-500 034	Yes	29,26,800	54.32%	28.52%	8,26,800	15.35%	8.06%
TOTAL			29,26,800	54.32%	28.52%	8,26,800	15.35%	8.06%

- b) The Board of Directors of the Target Company at its meeting held on August 24, 2016, has approved, subject to compliance with applicable laws and regulations, receipt of approval of the Shareholders and other necessary approvals, the issuance, by way of a Preferential Allotment pursuant to the provisions of Section 62 of the Companies Act, 2013 and other applicable legal provisions, including Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended [“SEBI (ICDR) Regulations, 2009”] of 48,70,606 Equity Shares of face value of ₹10 (Rupees Ten only) each at a price of ₹10 (Rupees Ten only) each representing 47.48% of the Emerging Voting Capital of the Target Company to Acquirer 3 and the PACs in exchange of Equity Shares held by them in Krisani Bio Sciences Private Limited (‘KBSPL’) and the details of the same are as under:

Sr. No.	Name of the Allottees	No of Equity Shares held in KBSPL	No of Equity Shares allotted in PC
1)	Kalidindi Krishnam Raju (Promoter of KBSPL & Acquirer 3)	31,11,000	25,82,130
2)	K. Sarada Vijaya Kumari (Wife of Acquirer 3 & PAC 1)	10,43,000	8,65,690
3)	K. Nirusha (Daughter of Acquirer 3 & PAC 2)	12,40,000	10,29,200
4)	P. Parvathi (Aunt of Acquirer 3 & PAC 3)	4,74,200	3,93,586
	TOTAL	58,68,200	48,70,606

As per the Valuation Report dated August 23, 2016 issued by Mr. M. Madhusudhan Reddy (Membership No. 213077), Partner of M/s M M Reddy & Co., Chartered Accountants (FRN: 010371S), the fair value per Share of KBSPL is ₹8.33 per Share and of PC is ₹10 per Share and accordingly the above mentioned Shareholders of KBSPL allotted Shares of PC in the ratio of 83:100 (83 Equity Shares of PC against 100 Equity Shares of KBSPL).

By virtue of above mentioned acquisition of 58,68,200 Equity Shares of KBSPL (51.33% of the Share Capital), KBSPL will become the Subsidiary of the Target Company.

3.1.3.A Notice of Postal Ballot dated August 24, 2016 was dispatched to the Shareholders inter alia to approve the Preferential Allotment in accordance with the provisions of Section 62 of the Companies Act and other applicable provisions including the SEBI (SAST) Regulations, 2011. The result of which was announced on September 29, 2016. Thereafter, The Target Company obtained the In-Principle Approval for Preferential Allotment of 48,70,606 Equity Shares from BSE Ltd vide letter dated September 30, 2016, Metropolitan Stock Exchange of India Ltd vide letter dated October 05, 2016 and Ahmedabad Stock Exchange Limited vide letter dated October 05, 2016. Accordingly, the Target Company has allotted 48,70,606 Equity Shares at the Board Meeting held on October 13, 2016 and filed the Listing Application with the Stock Exchanges on November 04, 2016.

3.1.4.The Shares agreed to be acquired through SPA have been transferred to Demat Escrow Account namely “PC-Open Offer-Demat Escrow Account”, opened with B N Rathi Securities Limited, Depository Participants, whose operating authority rests with the Manager to the Offer and the same will be transferred to the Acquirer’s account upon completion of the Open Offer formalities.

3.1.5.The Seller has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulation made under the SEBI Act, 1992.

3.1.6.The Salient features of the Share Purchase Agreement (‘SPA’) are as under:

a) Agreement to sell Shares

a.1. The Seller shall sell to the Acquirers and the Acquirers shall, subject to the fulfillment of the conditions specified in Clause 3, and relying on several representations and undertakings of the Seller hereinafter contained, purchase the Sale Shares, free from all encumbrances and defects for the Purchase Price and on the terms and conditions hereinafter contained.

a.2. The Acquirers shall acquire 21,00,000 Shares representing 38.97% of the Share Capital and 20.47% of the Emerging Voting Capital of the Company from the Seller.

- a.3. The Purchase Price for the Sale Shares shall be ₹4.00 (Rupees Four only) per share and the total consideration amount shall be ₹84,00,000 (Rupees Eighty Four Lacs only).
- a.4. The Acquirers agree to pay 90% of the total purchase price to the Seller towards Earnest Money Deposit and the Seller agrees to deposit entire sale shares into an Escrow Demat account opened for the purpose of holding the sale shares on the date of execution of this Agreement until the date of Closing. The operative authority of such Escrow Demat account rests with the Merchant Banker.

b) Conditions of Agreement

b.1. Acquirer's Conditions Precedent:

- b.1.1. The obligation of the Acquirers to effect and complete a Closing shall be expressly conditional upon the satisfaction (or, where not so prohibited under applicable law, waiver by Acquirers) of the following conditions precedent by the relevant Party within a period of 150 days of the date of the Agreement or such other later date as mutually agreed between Parties:
- b.1.2. The representations and warranties made by the Company and the Seller shall be, with respect to those representations and warranties qualified by any materiality standard, true and correct in all respects at and as of the Closing Date.
- b.1.3. All orders, consents, waivers, no-objections, permits, approvals, authorizations or compliances necessary to permit the Seller to perform his obligations under this Agreement and to consummate the transactions contemplated hereby have been obtained and shall be in full force and effect;

b.2. Seller's Condition Precedent:

- b.2.1. The Closing by the Seller shall be conditional upon the completion (or, where not so prohibited under Applicable Law, waiver by the Seller) of the following conditions precedent by the Acquirers (the "Seller' Conditions Precedent")
- b.2.1.1. Acquirers shall have obtained all governmental, regulatory or approvals, authorizations or permits as may be required under Applicable Law, for consummating the transactions contemplated under this Agreement;
- b.2.1.2. All orders, consents, waivers, no-objections, permits, approvals, authorizations or compliances necessary to permit the Acquirers to perform their respective obligations under this Agreement and to consummate the transactions contemplated hereby and to permit the Acquirers to acquire the Sale Shares free and clear of all encumbrances pursuant to this Agreement shall have been obtained and shall be in full force and effect;
- b.2.1.3. Acquirers agree to complete all Takeover formalities pursuant to Clause 3.3 of the Agreement.
- b.2.2. Parties shall provide to each other copies of all documents and materials received from any governmental agency in relation to any regulatory process undertaken by any Party, for the purposes of consummating the transactions under the Agreement.

b.3. Compliance with Takeover Regulations:

- b.3.1. The sale and purchase of the Sale Shares shall be subject to the compliance by the Acquirers with the provisions of the Takeover Regulations.
- b.3.2. The Parties shall comply with the provisions of the Takeover Regulations.
- b.3.3. In case of non-compliance with any of the provisions of the Takeover Regulations by either of the Parties, after signing of this Agreement, this Agreement for sale of the Sale Shares shall not be acted upon by either the Seller or the Acquirers.
- b.3.4. The Acquirers undertake that if the public shareholding in the Company fall below the limit specified in listing agreement with Stock Exchange for the purpose of listing on continuous basis, pursuant to the

Agreements and Open Offer, the Acquirers will maintain the minimum specified public shareholding in the Company.

3.1.7. The Proposed change in control of the Target Company is not through any Scheme of Arrangement.

3.1.8. The Acquirers and the PACs reserves the right to nominate someone representing them to be a Director on the Board of the Target Company during the Offer Period in accordance with the SEBI (SAST) Regulations by depositing 100% of the Maximum Consideration payable under the Offer in the Cash Escrow Account as required under Regulation 24(1) of the SEBI (SAST) Regulations.

3.1.9. The Acquirers and the PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of SEBI Act or under any other regulations made under the SEBI Act.

3.1.10. As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors is required to constitute a committee of independent directors to provide reasoned recommendation on this Offer to the Eligible Shareholders. Such recommendation shall be published at least two (2) working days before the commencement of the Tendering Period in the same newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

3.1.11. No other persons/individuals/entities are acting in concert with the Acquirers and the PACs for the purpose of this Offer in terms of Regulation 2 (1) (q) of the SEBI (SAST) Regulations.

3.2 DETAILS OF THE PROPOSED OFFER

3.2.1 The PA announcing the Open Offer, under Regulation 3(1) and 4 read with Regulation 13, 14 and 15 of the SEBI (SAST) Regulations, 2011 was made on August 24, 2016 (Wednesday) and was sent to BSE Ltd, Mumbai ('BSE'), Metropolitan Stock Exchange of India Limited, Mumbai ('MSEI'), Ahmedabad Stock Exchange Limited, Ahmedabad ("ASE") and to the Target Company on August 24, 2016 and was filed with SEBI, Mumbai on August 25, 2016.

3.2.2 In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, the DPS was published on August 30, 2016 (Tuesday) in the following newspapers:

Publication	Language	Edition(s)
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition
Nava Telangana	Telugu	Hyderabad Edition

The Public Announcement and Detailed Public Statement are also available on the website of SEBI at www.sebi.gov.in.

3.2.3 Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was filed through the Manager to the Offer with SEBI, BSE, MSEI and sent to ASE and the Target Company at its Registered Office.

3.2.4 This Offer is made by the Acquirers and the PACs to all Eligible Shareholders, to acquire up to 26,67,300 Equity Shares, representing 26% of the Emerging Voting Capital, at a price of ₹10 (Rupees Ten only) per Equity Share, to be paid in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and the Letter of Offer.

3.2.5 As of the date of this Letter of Offer, there are no: (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company.

3.2.6 There is no differential pricing for the Offer.

3.2.7 This is not a Competing Offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this Letter of Offer

- 3.2.8 The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders. In terms of Regulation 19(1) of the SEBI (SAST) Regulations, the Acquirers and the PACs will accept those Equity Shares of the Target Company which are tendered in valid form in terms of this Offer upto a maximum of 26,67,300 Equity Shares representing 26% of the Emerging Voting Capital of the Target Company.
- 3.2.9 The Acquirers and the PACs did not acquire any shares of the Target Company after the date of PA i.e. August 24, 2016 (Wednesday) up to the date of this LoF, except the allotment of 48,70,606 Equity Shares on Preferential Basis.
- 3.2.10 The Acquirers and the PACs will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event such statutory approvals are refused. In the event of withdrawal of this Offer, a public announcement will be made within Two (2) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such Public Announcement will also be sent to SEBI, BSE, MSEI, ASE and the Target Company at its Registered Office.
- 3.2.11 As on date, the Manager to the Offer, Mark Corporate Advisors Private Limited does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.2.12 The Equity Shares of the Target Company acquired by the Acquirers and the PACs shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.13 As per Regulation 38 of SEBI (LODR) Regulations read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ('SCRR'), the Target Company is required to maintain at least 25% Public Shareholding, on continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per SCRR as amended and the Listing Agreement. However, the Acquirers and the PACs undertake to take necessary steps to facilitate Compliances of the Target Company with the relevant provisions of the Listing agreement within the time period mentioned therein.

3.3 OBJECT OF THE OFFER

- 3.3.1 This Offer is being made to the public shareholders of Target Company pursuant to and in compliance with regulation 3(1) and 4 of the SEBI (SAST) Regulations.
- 3.3.2 The object of acquisition is to acquire substantial shares/voting rights accompanied by control over the Target Company. At present, the Acquirers and the PACs does not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirers and the PACs may expand the existing business of the Target Company and may diversify into Bio Pharma sector with the prior approval of the Shareholders. The Acquirers and the PACs may reorganize the present Capital Structure of the Company and also further strengthen the Board.
- 3.3.3 The Acquirers and the PACs does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of regulation 25(2) of SEBI (SAST) Regulations, 2011.

4. BACKGROUND OF THE ACQUIRERS AND THE PACs

4.1 Information about Dr. Mohammed Aejaz Habeeb ("Acquirer 1")

- 4.1.1 Dr. Mohammed Aejaz Habeeb, s/o Padmashree Late C M Habibullah, aged about 50 years, presently residing at 3-5-1092/A/1, Venkateshwara Colony, Narayanaguda, Hyderabad-500 029, Telangana, Contact No.: +91 98480 34860, E-Mail: aejazhabeeb@hotmail.com is a PhD holder in Biotechnology, D. M.

(Gastroenterology) and MD. (General Medicine). His Permanent Account Number ('PAN') is AAQPH 8503 B.

4.1.2 Acquirer 1 is practising as a Gastroenterologist, since 1999 at his self-employed Clinic at Narayanguda, Hyderabad. He is the Professor and H.O.D for the Department of Gastroenterology and Herpetology at Deccan College of Medical Sciences, Hyderabad. Additionally, since 2007 he is practising as a Consultant (Gastroenterologist & Hepatologist) at Kamenini Wockhardt Hospitals (now known as Kamenini Hospital) King Koti, Hyderabad. Also, since 2011 he is practising as a Consultant (Gastroenterologist & Hepatologist) at Apollo Hospital, Hyderguda, Hyderabad. Thus, he has over 17 years of experience as a Consultant.

4.1.3 Acquirer 1 is not part of any group.

4.1.4 As on date, Acquirer 1 does not hold any Equity Share in the Target Company. Further, pursuant to Share Purchase Agreement ('SPA') entered with the Promoter/Seller of the Target Company for 21,00,000 Equity Shares, Acquirer 1 will hold 10,00,000 Equity Shares comprising 9.75% of the Emerging Voting Capital.

4.1.5 Acquirer 1 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.1.6 The Net Worth of Acquirer 1 is ₹11.67 Crores (Rupees Eleven Crores Sixty Seven Lacs only) as on June 30, 2016 as certified vide certificate dated July 01, 2016 issued by Mr. P. Hanumantha Rao, Partner of M/s V. Rao & Gopi, Chartered Accountants (Membership No. 026990) (FRN: 003153S) having office at Flat No. 001, 3-5-595, Gharonda Paul Apts., 7th Street, Narayanguda, Near Telugu Academy, Hyderabad-500 029, Telangana, Contact No.: +91 40 2322 8444, Email: vraoandgopi@yahoo.com.

4.1.7 The major entity promoted/controlled/managed by Acquirer 1 is as under:

Sr. No.	Name of the Partnership Firm	Share of Partnership
1)	Centre for Liver Research and Diagnostics	30.25%

4.2 Information about Dr. Syed Ameer Basha Paspala ("Acquirer 2")

4.2.1 Dr. Syed Ameer Basha Paspala, s/o Mr. Syed Mahboob Miah Paspala, aged about 50 years, presently residing at 3-5-167, Flat no. 202, Lakshmi Residency, Venkateshwara Colony, Narayanaguda, Hyderabad-500 029, Telangana, Contact No.: +91 94949 43848, E-Mail: syedpaspala@gmail.com is a PhD holder in Biotechnology and M.Ch (Neurosurgery). His Permanent Account Number ('PAN') is ABLPP 1002 B.

4.2.2 Acquirer 2 is practising as a Consultant (Neurosurgeon) since the beginning of 2001 at Institute of Medical Sciences, CARE Hospital, Hyderabad. Additionally, since 2004 he is practising as a Consultant (Neurosurgeon) at Central Hospital, South Central Railways, Hyderabad. Thus, he has 16 years of experience as a Consultant.

4.2.3 Acquirer 2 is not part of any group.

4.2.4 As on date, Acquirer 2 does not hold any Equity Share in the Target Company. Further, pursuant to Share Purchase Agreement ('SPA') entered with the Promoter/Seller of the Target Company for 21,00,000 Equity Shares, Acquirer 2 will hold 10,00,000 Equity Shares comprising 9.75% of the Emerging Voting Capital.

4.2.5 Acquirer 2 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.2.6 The Net Worth of Acquirer 2 is ₹13.95 Crores (Rupees Thirteen Crores Ninety Four Lacs only) as on March 31, 2016 as certified vide certificate dated July 07, 2016 issued by Mr. G. Sambasiva Rao, Partner of M/s G Sambasiva Rao & Co., Chartered Accountants (Membership No. 023047) (FRN: 003537S) having office at H. No. 8-3-682/1/B, Navodaya Colony, Srinagar Colony Post, Hyderabad-500 073, Telangana State, Telefax No.: +91 40 2374 2422, Email: gsrao_co@rediffmail.com.

4.2.7 The major entity promoted/controlled/managed by Acquirer 2 is as under:

Sr. No.	Name of the Partnership Firm	Share of Partnership
1)	Centre for Liver Research and Diagnostics	30.25%

4.3 Information about Mr. Kalidindi Krishnam Raju (“Acquirer 3”)

4.3.1 Mr. Kalidindi Krishnam Raju, s/o Mr. K V Subba Raju, aged about 57 years, presently residing at 8-2-293/82/J/111, Plot No. 12, Road No. 82, Jubilee Hills, Hyderabad-500 033, Telangana, Contact No.: +91 98494 33333, E-Mail: kalidindikr@gmail.com is a Chartered Accountant from The Institute of Chartered Accountants of India. His Permanent Account Number (‘PAN’) is ADOPK 7164 N.

4.3.2 Acquirer 3 was the proprietor of Krishnam Raju & Associates, Chartered Accountants from 1990 till 1994, advising in the areas of Accounts, Finance, Income Tax, RoC, and Management consultancy. He worked as a Director (Finance) in Emergy Pharma Limited from 1994 till 1995 and was looking after Accounts and Finance. He worked as a Managing Director in Emergy Finance & Investment Limited from 1995 till 1996 and was looking after overall administration. He worked as a Promoter/Director (Finance) in VisualSoft Technologies Limited from 1996 till 2002 and was looking after Accounts, Finance and Administration. He promoted Krisani Wealth Management Private Limited in 2004 looking after overall activities including research. He was working as Promoter/Managing Director till 2014. He promoted Krisani Bio-Sciences Private Limited in 2009 looking after Finance, Administration including HR, Business Development etc. Thus, he has 25 years of experience in the field of Finance, Accounts and Administration.

4.3.3 Acquirer 3 is not part of any group.

4.3.4 As on date, Acquirer 3 does not hold any Equity Share in the Target Company. Further, pursuant to Share Purchase Agreement (‘SPA’) entered with the Promoter/Seller of the Target Company for 21,00,000 Equity Shares. Out of which Acquirer 3 will hold 1,00,000 Equity Shares comprising 0.975% of the Emerging Voting Capital.

4.3.5 Acquirer 3 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.3.6 The Net Worth of Acquirer 3 is ₹21.68 Crores (Rupees Twenty One Crores and Sixty Eight Lacs only) as on June 30, 2016 as certified vide certificate dated July 28, 2016 issued by Mr. Mahidhar S. G., Partner of M/s Visweswara Rao & Associates, Chartered Accountants (Membership No. 216463) (FRN: 005774S) having office at “SRI” 8-2-686/DB/22/1, Road No. 12, Banjara Hills, Hyderabad-500 034, Telangana, Contact No.: +91 40 23548003, Email: svrvrao@gmail.com.

4.3.7 The major entity promoted/controlled/managed by Acquirer 3 is as under:

Sr. No.	Name of the Entities	% of total Equity Shares held/ Share of Partnership
1)	Centre for Liver Research and Diagnostics (Partnership Firm)	8.00%
2)	Krisani Bio Sciences Private Limited	27.04%
3)	Innovision Life Sciences Private Limited	67.50%
4)	Krisani Innovation Private Limited	1.10%
5)	Krisani Wealth Management Private Limited	4.55%
6)	Krisani Knowledge Resources Private Limited	10.00%
7)	Krisani Electronics and Electricals Private Limited	1.10%

4.3.8 Acquirer 3 has disassociated himself along with his wife (PAC 1 from the Promoter/Promoter Group of 7seas Technology Limited (now known as 7seas Entertainment Limited), a BSE listed Company in the FY 2015-2016.

4.4 Information about Mrs. Kalidindi Sarada Vijaya Kumari (“PAC 1”)

4.4.1 Mrs. Kalidindi Sarada Vijaya Kumari, w/o Mr. Kalidindi Krishnam Raju, aged about 49 years, presently residing at 8-2-293/82/J/111/12, Plot No.12, Road No. 82, Jubilee Hills, Hyderabad-500 033, Telangana,

Contact No.: +91 98498 66555, E-Mail: kkr_2004@yahoo.co.in is under graduate and her Permanent Account Number ('PAN') under Income Tax Act is AGDPK 4335 M.

4.4.2.PAC 1 is a Housewife.

4.4.3.PAC 1 is not part of any group.

4.4.4.As on date, PAC 1 holds 8,65,690 Equity Shares representing 8.44% of Emerging Voting Capital of the Target Company which were allotted on Preferential basis..

4.4.5.PAC 1 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.4.6.The Net Worth of PAC 1 is ₹10.99 Crores (Rupees Ten Crores Ninety Nine Lacs only) as on June 30, 2016 as certified vide certificate dated October 19, 2016 issued by Mr. Mahidhar S. G., Partner of M/s Visweswara Rao & Associates, Chartered Accountants (Membership No. 216463) (FRN: 005774S) having office at "SRI" 8-2-686/DB/22/1, Road No. 12, Banajara Hills, Hyderabad-500 034, Telangana, Contact No.: +91 40 2354 8003, Email: svrvrao@gmail.com.

4.4.7.The major entities promoted/managed by PAC 1 are as under:

Sr. No.	Name of the Company	% of Shares
1)	Krisani Bio Science Private Limited	9.10%
2)	Innovision Life Sciences Private Limited	32.50%
3)	Krisani Innovations Private Limited	45.50%
4)	Krisani Wealth Management Private Limited	50.00%
5)	Krisani Knowledge Resources Private Limited	90.00%
6)	Krisani Electronics and Electricals Private Limited	40.20%

4.5 Information about Ms. Kalidindi Nirusha ("PAC 2")

4.5.1.Ms. Kalidindi Nirusha, d/o Mr. Kalidindi Krishnam Raju, aged about 26 years, presently residing at 8-2-293/82/J/111/12, Plot No.12, Road No. 82, Jubilee Hills, Hyderabad-500 033, Telangana, Contact No.: +91 96180 69605, E-Mail: niru.nnn@gmail.com is a B Tech from Jawaharlal Nehru Technological University, Hyderabad and Master of Science in Finance from Bentley University, USA. Her Permanent Account Number ('PAN') under Income Tax Act is AXNPK 0720 D.

4.5.2.PAC 2 is having an experience of one (1) year of working as a Junior Analyst at PCS Securities Limited, Hyderabad.

4.5.3.PAC 2 is not part of any group.

4.5.4.As on date, PAC 2 holds 10,29,200 Equity Shares representing 10.03% of the Emerging Voting Capital of the Target Company which were allotted on Preferential Allotment basis.

4.5.5.PAC 2 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.5.6.The Net Worth of PAC 2 is ₹3.33 Crores (Rupees Three Crores Thirty Three Lacs only) as on June 30, 2016 as certified vide certificate dated October 19, 2016 issued by Mr. Mahidhar S. G., Partner of M/s Visweswara. Rao & Associates, Chartered Accountants (Membership No. 216463) (FRN: 005774S) having office at "SRI" 8-2-686/DB/22/1, Road No. 12, Banajara Hills, Hyderabad-500 034, Telangana, Contact No.: +91 40 2354 8003, Email: svrvrao@gmail.com.

4.5.7.The major entities promoted/managed by PAC 2 are as under:

Sr. No.	Name of the Company	% of Shares
1)	Krisani Innovations Private Limited	45.45%
2)	Krisani Wealth Management Private Limited	45.45%
3)	Krisani Knowledge Resources Private Limited	-

4.6 Information about Mrs. Penmetsa Parvathi (“PAC 3”)

- 4.6.1. Mrs. Penmetsa Parvathi, w/o Mr. Penmetsa Krishnam Raju, aged about 63 years, presently residing at Door No. 2-19, Unudurru Undi Mandal, West Godavari District, Andhra Pradesh-534 186, Contact No.: +91 94409 14511, is non-matriculate. Her Permanent Account Number (‘PAN’) under Income Tax Act is BQCPP 9757 N.
- 4.6.2. PAC 3 is a Housewife.
- 4.6.3. PAC 3 is not part of any group.
- 4.6.4. As on date, PAC 3 holds 3,93,586 Equity Shares representing 3.84% of the Emerging Voting Capital of the Target Company which were allotted on Preferential Allotment basis.
- 4.6.5. PAC 3 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.
- 4.6.6. The Net Worth of PAC 3 is ₹1.57 Crores (Rupees One Crore Fifty Seven Lacs only) as on June 30, 2016 as certified vide certificate dated October 19, 2016 issued by Mr. Mahidhar S. G., Partner of M/s Visweswara Rao & Associates, Chartered Accountants (Membership No. 216463) (FRN: 005774S) having office at “SRI” 8-2-686/DB/22/1, Road No. 12, Banajara Hills, Hyderabad-500 034, Telangana, Contact No.: +91 40 2354 8003, Email: svrvrao@gmail.com.
- 4.6.7. PAC 3 has not promoted any venture/entity.
- 4.7** The Acquirers are Business Associates and PAC 1 is wife of Acquirer 3, PAC 2 is daughter of Acquirer 3 and PAC 3 is aunt of Acquirer 3 and they came together to control the Target Company jointly.
- 4.8** The relevant provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations are not applicable to the Acquirers and the PACs with respect to the Target Company since the Acquirers and the PACs have not directly acquired or sold any Equity Shares before the date of Public Announcement. However, the Acquirers have entered into a Share Purchase Agreement (‘SPA’) on August 24, 2016 with the Promoter of the Target Company) pursuant to which, the Acquirers have agreed to acquire 21,00,000 Equity Shares representing 20.47% of the Emerging Voting Capital of the Target Company. Further, 48,70,606 Equity Shares representing 47.48% are allotted to Acquirer 3 and the PACs in the Board Meeting held on October 13, 2016.
- 4.9** The Acquirers and the PACs will be the Promoters of the Company after completing all the Open Offer formalities pursuant to SEBI (SAST) Regulations.
- 4.10** The Acquirers and the PACs have not acquired any Equity Share of the Target Company during the twelve (12) months period prior to the Public Announcement except for those mentioned in point no 4.8 above.
- 4.11** Neither the Acquirers and the PACs nor any of the Company, with which the Acquirers and the PACs are associated, are in Securities related business and registered with SEBI as a Market Intermediary.
- 4.12** There is an informal arrangement between the Acquirers with regard to the acquisition of Equity Shares through Open Offer. None of the PACs will acquire Equity shares through Open Offer.
- 4.13** None of the entities promoted or controlled by the Acquirers and the PACs as mentioned in point no. 4.1.7, 4.2.7, 4.3.7, 4.4.7 & 4.5.7 above are either participating or acting in Concert with the Open Offer.
- 4.14** As on date, the Acquirers and the PACs do not have any interest in the Target Company except holding Equity Shares. Further, there are no Directors representing the Acquirers or the PACs on the Board of the Target Company.

5. BACKGROUND OF THE TARGET COMPANY-PC PRODUCTS INDIA LIMITED

- 5.1 The Target Company, bearing CIN L85110TG1996PLC099198 was incorporated on January 25, 1996 in the name of Jayavant Industries Limited in Bangalore, Karnataka pursuant to the provisions of the Companies Act, 1956 and certificate for Commencement of Business was obtained on February 01, 1996. The name of the Company was changed from 'Jayavant Industries Limited' to 'PC Products India Limited' vide new Certificate of Incorporation dated October 31, 2014.
- 5.2 The Registered Office of the Target Company shifted to Telangana State w.e.f April 30, 2015 and is presently situated at 4-7-375/A, Television Hotel Lane, Esamia Bazar, Hyderabad-500 027.
- 5.3 The Target Company is engaged mainly in the trading of all kinds of Papers. The Target Company recently diversified into the business of trading in Pharmaceutical Products and has obtained Drug License from Drugs Control Administration, Hyderabad, Government of Telangana on July 28, 2016.
- 5.4 The Authorized Share Capital of the Target Company as on date is ₹13,00,00,000 (Rupees Thirteen Crores only) comprising of 1,30,00,000 Equity Shares of ₹10 (Rupees Ten only) each. The Emerging Voting Capital as on date is ₹10,25,87,060 (Rupees Ten Crores Twenty Five Lacs Eighty Seven Thousand and Sixty only) comprising of 1,02,58,706 Equity shares of ₹10 (Rupees Ten only) each..
- 5.5 The Equity Shares of the Target Company are listed on BSE Limited, Mumbai ('BSE') w.e.f. August 11, 2015, Metropolitan Stock Exchange of India Limited, Mumbai ('MSEI') w.e.f. November 20, 2014 and Ahmedabad Stock Exchange Limited, Ahmedabad ('ASE'). However, the Equity Shares allotted under Preferential Allotment basis are yet to be listed on these Stock Exchanges.

5.6 Share Capital Structure:

The Equity Share Capital Structure of the Target Company as on the date of PA is as follows:

Paid-up Shares	No. of Equity Shares/ Voting Rights	% of Equity Shares/ Voting Rights
Fully Paid-up Equity Shares	53,88,100	53,88,100
Partly Paid-up Equity Shares	Nil	N.A.
Total Paid-up Equity Shares	53,88,100	53,88,100

Emerging Voting Capital (As on 10 th working day from the closure of the tendering period)	
Equity Shares on the date of Public Announcement	53,88,100
<u>Add:</u> Equity Shares allotted pursuant to Preferential Issue	48,70,606
Emerging Voting Capital (A) + (B)	1,02,58,706
Offer Size (26% of the Emerging Voting Capital)	26,67,300

- 5.7 The present Promoter acquired Shares and took Control over the Target Company in the year 2014-2015 pursuant to SEBI (SAST) Regulations, 2011 and thereafter he has been complying with Chapter V of the SEBI (SAST) Regulations, 2011. However, there was non-compliance by the erstwhile Promoter/Promoter Group of the Target Company and the Target Company with regard to Regulation 8(3) of SEBI (SAST) Regulations. The Target Company has received a Show Cause Notice No. EAD-5/ADJ/SVKM/AA/OW/22848/1/2016 dated August 12, 2016 for such non-compliance and the Target Company is in the process of submitting the reply/has made submissions against the Show Cause Notice.
- 5.8 The Equity Shares of the Target Company are listed on BSE Limited, Mumbai ("BSE"), with Scrip Code as 539267, Metropolitan Stock Exchange of India Limited, Mumbai ("MSEI"), with Scrip Code as PCPROD and Ahmedabad Stock Exchange Limited, Ahmedabad ("ASE"), with Scrip Code as 28101. The Equity Shares of the Target Company are infrequently traded within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011. The ISIN of the Target Company is INE579N01018.
- 5.9 As on date, the Target Company is fully compliant with the listing requirements and there has not been any non-listing of Equity Shares on any of the Stock Exchanges except those Equity Shares which were allotted under Preferential Allotment for which application is submitted on November 04, 2016.

5.10 As of the date of this Letter of Offer, there are no: (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company. Further, there is no differential pricing for the Offer. There has been no merger/ de-merger or spin off in the Target Company during the past three years.

5.11 Details of the Board of Directors of the Target Company:

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

Sr. No.	Name of Director, DIN, PAN & Designation	Address	Date of Appointment	Experience in years & field	No. of shares held in Company
1)	Mr. Devender Kumar Rathi <i>DIN:</i> 06666011 <i>PAN:</i> AAKPR 9971 M <i>Designation:</i> Whole Time Director (Professional-Executive)	20-2-395/3, Old Kabutar Khana, Bahadurpura, Hyderabad-500 064	13/02/2016	15 Years Textiles, Stock Broking, Insurance	-
2)	Mr. Arun Kumar Bhangadia <i>DIN:</i> 00021024 <i>PAN:</i> AAOPB 7586 N <i>Designation:</i> Promoter (Non-Executive Director)	8-2-684/1/2, F No. G6, Rock Levelz Apartments, Road No. 12, Banjara Hills, Hyderabad-500 034	14/08/2014	30 Years Pharma, trading, Finance and Construction	29,26,800 Equity Shares 54.32% of the Existing paid- up capital
3)	Mr. Praveen Bellam <i>DIN:</i> 06968003 <i>PAN:</i> ARYPB 7642 J <i>Designation:</i> Director (Independent Non-Executive)	3.3.127/128, Subhas Road, Kurmabasti, Secunderabad-500 003	30/09/2014	4 Years Financial Services	-
4)	Mr. Bonthu Pardhasara <i>DIN:</i> 07337785 <i>PAN:</i> AHVPB 6318 A <i>Designation:</i> Director (Independent Non-Executive)	Plot No. 173/2, Flat No. 401, Lakshmi Nilayam Masid Banda, Serilingampally, Kondapur, Hyderabad-500 084	09/11/2015	5 Years Real Estate	-
5)	Ms. Nishita Kalantri <i>DIN:</i> 07444639 <i>PAN:</i> CKRPK 2207 C <i>Designation:</i> Director (Independent Non-Executive)	4-7-233 To 235, Nanamiya Lane, Esamiya Bazar, Hyderabad-500027	13/02/2016	2 Years Legal & Secretarial	-

* Out of 29,26,800 Equity Shares, SPA was entered for 21,00,000 Equity Shares with the Acquirers.

5.12 The key financial information of the Target Company based on the Audited Financial Statements for the Financial Year ended March 31, 2016, March 31, 2015 and March 31, 2014 and Certified Un-Audited Financials, as certified by the Statutory Auditor, for the three months period ended June 30, 2016, are as follows:

Profit & Loss Statement:

(Amount in Lacs)

Particulars	Period ended	FY	FY	FY
	June 30, 2016	2015-16	2014-15	2013-14
	(Un-Audited)	(Audited)	(Audited)	(Audited)
Income from Operations	32.45	369.45	397.21	-
(+) Other Income	-	4.80	9.47	7.87
Total Income	32.45	374.25	406.68	7.87
Total Expenditure	36.67	372.80	403.95	1.18
Profit before Depreciation, Interest and Tax	-	1.44	2.72	6.69
(-) Depreciation	-	-	-	-
(-) Interest and Financial Charges	-	-	-	-
Exceptional Items	-	-	-	-
Profit before Tax	-4.2	1.44	2.72	6.69
Tax Expenses	-	-	-	-
Profit after Tax	-4.2	1.44	2.72	6.69

Balance Sheet Statement:

(Amount in Lacs)

Particulars	Period ended	FY	FY	FY
	June 30, 2016	2015-16	2014-15	2013-14
	(Un-Audited)	(Audited)	(Audited)	(Audited)
Sources of Funds				
Paid up Equity Share Capital	538.81	538.81	538.81	538.81
Reserves & Surplus (Excluding Revaluation Reserve)	(162.32)	(158.10)	(159.54)	(162.27)
(-) Miscellaneous Expenditure	-	-	-	-
Net Worth	376.49	380.71	379.27	376.54
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Current Liabilities	73.57	173.79	253.77	47.56
Total	450.06	554.50	633.04	424.10
Uses of Funds				
Non-Current Assets	31.19	40.00	46.50	6.50
Investments	-	-	-	85.00
Net current assets	418.87	514.50	586.54	332.60
Total	450.06	554.50	633.04	424.10

Other Financial Data:

(Amount in Lacs, except EPS)

Particulars	Period ended	FY	FY	FY
	June 30, 2016	2015-16	2014-15	2013-14
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Share (Basic)	(0.08)	0.03	0.05	0.12
Earnings Per Share (Diluted)	(0.08)	0.03	0.05	0.12
RoNW (%)	-0.61%	0.38%	0.72%	1.78%
Book Value	6.99	7.07	7.04	6.99

(Source: Annual Accounts for the financial years ended March 31, 2016, March 31, 2015, March 31, 2014 and Certified Un-Audited financials for the period ended June 30, 2016 subject to limited review by the Statutory Auditors).

5.13 Pre and Post-Offer Shareholding Pattern of the Target Company as on date of LoF are as follows:

Shareholders' Category	Equity Shareholding & Voting Rights prior to SPA, Pref Issue and offer		Equity Shares/Voting Rights agreed to be acquired through SPA and Pref Issue which triggered off the Regulations		Equity Shares/Voting Rights to be acquired in open offer (Assuming full acceptances)		Equity Shareholding/ Voting Rights After SPA, Pref Issue/ and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%*	No.	%*	No.	%*	No.	%*
1) Promoter/ Promoter Group								
a) Parties to the Agreement:								
Arun Kumar Bhangadia	29,26,800	28.52	(21,00,000)	(20.47)	Nil	Nil	8,26,800^	8.06^
b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 1 (a+b)	29,26,800	28.52	(21,00,000)	(20.47)	Nil	Nil	8,26,800	8.06
2) Acquirers & the PACs:								
a) Acquirer 1	Nil	N.A.	10,00,000	9.75	26,67,300	26.00	73,49,160	71.64
b) Acquirer 2	Nil	N.A.	10,00,000	9.75				
c) Acquirer 3	Nil	N.A.	26,82,130	26.14				
d) PAC 1	Nil	N.A.	8,65,690	8.44	-	-	8,65,690	8.44
e) PAC 2	Nil	N.A.	10,29,200	10.03	-	-	10,29,200	10.03
f) PAC 3	Nil	N.A.	3,93,586	3.84	-	-	3,93,586	3.84
Total 2 (a)	Nil	N.A.	69,70,606	67.95	26,67,300	26.00	96,37,906	93.95
3) Parties to agreement other than 1(a) & 2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4) Public (other than parties to agreement and Acquirers)								
a) FIs/MFs/FILs/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Others	24,61,300	23.99	Nil	Nil	(26,67,300)	(26.00)	(2,06,000)	(2.01)
Total 4 (a+b)	24,61,300	23.99	Nil	Nil	(26,67,300)	(26.00)	(2,06,000)	(2.01)
GRAND TOTAL (1+2+3+4)	53,88,100	52.51	48,70,606	47.48	Nil	Nil	1,02,58,706	100.00

* The above percentages are calculated on the basis of Emerging Voting Capital.

^Post completion of the Open Offer formalities, the existing Promoter/Seller will be classified under Public Shareholders category in compliance with Regulation 31(A) of SEBI (LODR) Regulations, 2015, to the extent applicable.

Note: Total Number of Public Shareholders as on the date are 650.

5.14 Details of the Compliance Officer:

Name : Ms. Pooja Jain
Registered Office : 4-7-375/A, Television Hotel Lane, Esamia Bazar, Hyderabad-500 027, Telangana
Contact No. : +91 97002 69209
E-Mail : pcproductsindia@gmail.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 The Equity Shares of the Target Company are presently listed on BSE Ltd, Mumbai ("BSE") having a scrip code as 539267, Metropolitan Stock Exchange of India Limited, Mumbai ("MSEI"), with Scrip Code as PCPROD and Ahmedabad Stock Exchange Limited, Ahmedabad ("ASE"), with Scrip Code as 28101. The Equity Shares of the Target Company are presently traded on BSE only. The Equity Shares of the Target Company are not frequently traded on BSE during the twelve (12) calendar months preceding the month in which PA was made as set out under Regulation 2(1) (j) of SEBI (SAST) Regulations.

6.1.2 The annualized trading turnover of the equity shares of the Target Company during Twelve calendar months preceding the month of PA (August'2015 to July'2016) on the Stock Exchange on which the equity shares of the Target Company are mostly traded is detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of PA	Total No. of Equity Shares listed	Annualized trading turnover (as % of total number of listed shares)
BSE Ltd	3,68,396	53,88,100	6.84%
MSEI	Nil	53,88,100	Nil
ASE	Nil	53,88,100	Nil

(Source: www.bseindia.com)

6.1.3 The Offer Price of ₹10 (Rupees Ten only) is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations on the basis of the following:

Sr. No.	Particulars	Amount (In. ₹)
a)	Negotiated Price as per SPA	: 4.00
b)	Shares acquired through Preferential Allotment	: 10.00
c)	The volume-weighted average price paid or payable for acquisition whether by the Acquirers and the PACs, during 52 weeks preceding the date of PA	: N.A.
d)	The highest price paid or payable for any acquisition, whether by the Acquirers and the PACs, during 26 weeks preceding the date of the PA	: N.A.
e)	The volume-weighted average market price of Equity shares of the Target Company for a period of sixty trading days immediately preceding the date of public announcement as traded on BSE, being the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	: 7.76
f)	Other Financial Parameters as at:	31.03.2016
		(Audited)
	(i.) Return on Net Worth	: 0.38
	(ii.) Book Value Per Share	: 7.07
	(iii.) Earnings Per Share (Diluted)	: 0.03

Note: The Trading data has been taken from BSE's website www.bseindia.com.

The Fair Value of the Target Company is ₹10.00 (Rupees Ten only) per share as certified vide Valuation Report dated August 23, 2016 issued by Mr. M. Madhusudhan Reddy (Membership No. 213077), Partner of M/s M M Reddy & Co., Chartered Accountants (FRN: 010371S) having office at G-8, Amrutha Ville Apts, Right Wing, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad-500 082, Tel. No.: +91 40 2341 8336 / 4027 2617, E-mail: mmreddyandco@gmail.com.

The Fair Price of ₹10 per share has been determined taking into account the methodology adopted under Hindustan Lever Employees Union v/s Hindustan Lever Ltd case.

6.1.4 In view of the parameters considered and presented in the table above and in the opinion of the Acquirers and the PACs and Manager to the Offer, the Offer Price of ₹10 (Rupees Ten only) per Equity Share is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations, 2011.

6.1.5 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

6.1.6 In the event of further acquisition of Equity Shares of the Target Company by the Acquirers and the PACs during the Offer Period, at a price higher than the Offer Price, then the Offer Price will stand revised equal to or more than the highest price paid for such acquisition in terms of regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirers and/or the PACs will not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

- 6.1.7 If the Acquirers and/or the PACs acquire Equity Shares of the Target Company during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, then they will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty (60) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.
- 6.1.8 As on date, there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirers and the PACs are permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. If there is any such upward revision in the Offer Price by the Acquirers and the PACs or in the case of withdrawal of Offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers and the PACs for all the shares validly tendered in the Offer.
- 6.1.9 In the event that the number of Equity Shares validly tendered by the Public Shareholders of the Target Company under the Offer is higher than the Offer Size, the Equity Shares received from the public shareholders shall be accepted on a proportionate basis, in consultation with the Manager to the Offer.

6.2 DETAILS OF FIRM FINANCIAL ARRANGEMENTS

- 6.2.1 The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 26,67,300 Equity Shares at a price of ₹10 (Rupees Ten only) per Equity Share is ₹2,66,73,000 (Rupees Two Crores Sixty Six Lacs and Seventy Three Thousand only) (**‘Maximum Consideration’**).
- 6.2.2 In accordance with regulation 17(4) of SEBI (SAST) Regulations, 2011, the Acquirers have opened a Cash Escrow Account under the name and style of “PC-Open Offer-Cash Escrow Account” (**‘Escrow Account’**) with Kotak Mahindra Bank Limited (**‘Escrow Banker’**), Mittal Court, Nariman Point Branch, bearing account number 9712202665 and deposited an amount of ₹70.00 Lacs (Rupees Seventy Lacs only), in cash, being more than 25% of the Maximum Consideration, on August 26, 2016. The cash deposit in the Escrow Account has been confirmed vide certificate dated August 26, 2016 issued by the Escrow Banker.
- 6.2.3 The Acquirers have empowered the Manager to the Offer i.e. Mark Corporate Advisors Private Limited to operate and to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.4 The Acquirers have adequate financial resources and have made firm financial arrangements for implementation of the Open Offer. No funds are borrowed from banks or financial institutions for the purpose of this Offer by the Acquirers. Mr. M. Madhusudhan Reddy (Membership No. 213077), Partner of M/s M M Reddy & Co., Chartered Accountants (FRN: 010371S) having office at G-8, Amrutha Ville Apts, Right Wing, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad-500 082, Tel. No.: +91 40 2341 8336 / 4027 2617, E-mail: mmreddyandco@gmail.com, has confirmed and certified that the Acquirers have sufficient resources for fulfilling the obligations under this ‘Offer’ in full.
- 6.2.5 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers and to implement the offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that the funds / money are in place to fulfil the Open Offer obligations.
- 6.2.6 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 via cash in the Escrow Account by the Acquirers prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

- 7.1.1 This Offer is not conditional upon any minimum level of acceptance by the shareholder(s) of the Target Company.
- 7.1.2 The Offer is subject to the terms and conditions set out in this DLoF, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.3 The Letter of Offer is being mailed to those Shareholders of the Target Company whose names appear on the Register of Members of the Target Company and to the Beneficial Owners of the Equity Shares of the Target Company whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Identified Date i.e. November 07, 2016 (Monday). Owners of Equity Shares who are not registered as Shareholder(s) are also eligible to participate in the Offer at any time prior to the Date of Closure of the Offer i.e. December 05, 2016 (Monday).
- 7.1.4 Accidental omission to dispatch this Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.5 Eligible persons can write to the Registrar / Manager to the Offer requesting for the Letter of Offer. Alternatively, the Letter of Offer would also be available on the website of SEBI, www.sebi.gov.in.
- 7.1.6 This Offer is subject to receipt of the statutory and other approvals as mentioned under paragraph 'Statutory Approvals' of this Letter of Offer. In terms of Regulation 23 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 7.1.7 The Public Shareholders who tender their Equity Shares under the Open Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter.
- 7.1.8 The Acquirers and the PACs will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.9 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder may be precluded from bidding of such Equity Shares during pendency of the said litigation and are liable to be rejected if directions/orders regarding the free transferability of such equity shares tendered under the Offer are not received prior to the date of Closing of the Offer.
- 7.1.10 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.11 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tendered their Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance.

7.2 LOCKED-IN SHARES

As on date, the Target Company does not have any Equity Shares under lock-in. However, the Equity Shares to be allotted on Preferential basis will attract lock-in as per the SEBI (ICDR) Regulations, 2009.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

All the shareholders (registered or unregistered) of the Target Company (*except the Acquirers and the PACs, and Promoter/Seller of the Target Company*) who own Shares any time before the Date of Closure of the Offer, i.e. November 02, 2016 (Wednesday) is eligible to participate in the Offer.

7.4 STATUTORY APPROVALS

- 7.4.1 As on date, no statutory approvals are required to be obtained for the purpose of this Offer.
- 7.4.2 If any statutory or other approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory or other approvals. The Acquirers and the PACs will not proceed with the Offer in the event that such statutory or other approvals becoming applicable prior to completion of the Offer are finally refused in terms of regulation 23 of SEBI (SAST) Regulations, 2011. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has been published.
- 7.4.3 In case of delay in receipt of any statutory approvals becoming applicable prior to completion of the Offer, SEBI has the power to grant extension of time to the Acquirers and the PACs for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers and the PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011. Provided where the statutory approvals extend to some but not all equity shareholders, the Acquirers and the PACs have the option to make payment to such shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer. Further, in case the delay occurs on account of wilful default by the Acquirers and the PACs in obtaining any statutory approvals in time, the amount lying in the Escrow Account will be liable to be forfeited and dealt with in the manner provided in clause (e) of sub-regulation (10) of Regulation 17 of SEBI (SAST) Regulations, 2011.
- 7.4.4 No approval is required from any bank or financial institutions for this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

- 8.1 The Acquirers have appointed Venture Capital & Corporate Investments Private Limited as the Registrar to the Offer.
- 8.2 The Registrar would be accepting the documents by Hand Delivery/Regd. Post/Speed Post/Courier at the following specified centre:

Name & Address	Contact Person	Mode of Delivery
Venture Capital & Corporate Investments Private Limited CIN: U65993TG1986PTC006936 12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana State Tel No.: +91 40 2381 8475/76/2386 8023 Fax No.: +91 40 2386 8024 E-Mail: info@vccilindia.com, pv.srinu@hotmail.com	Mr. P V Srinivasa Rao/ Mr. E S K Prasad	Hand Delivery / Registered Post / Speed Post / Courier

- 8.3 The Target Company is presently having connectivity with Central Depository Services (India) Limited ('CDSL') and National Securities Depositories Limited ('NSDL').
- 8.4 This Open Offer will be implemented by the Acquirers and the PACs through Stock Exchange Mechanism made available by BSE Limited, Mumbai ('BSE') in the form of a separate window ('Acquisition Window') as provided under the SEBI SAST Regulations, 2011 and SEBI Circular No. CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015.
- 8.5 BSE Limited, Mumbai ('BSE') shall be the Stock Exchange for the purpose of tendering the Equity shares in the Open Offer.
- 8.6 The Acquirers have appointed B N Rathi Securities Limited ('Buying Broker') for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made.

The Contact Details of the Buying Broker are mentioned below:

Name of the Broker : B N Rathi Securities Limited
Address : 6-3-652, 4th Floor, "Kautilya" Amrutha Estates, Somajiguda, Hyderabad-500 082
Tel No. : +91 40 3052 7777
Contact Person : Mr. T. Narsing Rao

8.7 All the Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective Stock Broker ("**Selling Broker**"), during the normal trading hours of the secondary market during tendering period.

8.8 Separate Acquisition window will be provided by the Stock Exchange to facilitate placing of Sell Orders. The Selling Members can enter Orders for Demat Shares as well as Physical Shares.

8.9 The cumulative quantity tendered shall be displayed on the website of the Exchange throughout the trading session at specific intervals by the Stock Exchange during tendering period.

8.10 Procedure for tendering Equity Shares held in Dematerialised Form:

8.10.1 The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Stock Broker/Selling Member indicating details of Shares they wish to tender in the Open Offer.

8.10.2 The Seller Member would be required to transfer the number of Equity Shares to the Special Account of the Clearing Corporation by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. ('Clearing Corporation'), before placing the bids/order and the same shall be validated at the time of order entry. The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE /Clearing Corporation.

8.10.3 Shareholders will have to submit Delivery Instruction Slips ('DIS') duly filled in specifying market type as "Open Offer" and execution date along with other details to their respective broker so that Shares can be tendered in Open Offer.

8.10.4 For Custodian participant order for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by the Custodian. The Custodians shall either confirm or reject orders not later than the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

8.10.5 Upon placing the bid, the Seller Member(s) shall provide Transaction Registration Slip ("TRS") generated by the Exchange Bidding System to the Shareholders. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No of Shares tendered, etc.

8.10.6 In case of receipt of Shares in the Special Account of the Clearing Corporation and a valid bid in the exchange bidding system, the Open Offer shall be deemed to have been accepted, for Demat Shareholders.

8.10.7 The Eligible Persons will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to pro-rata acceptance in the Open Offer.

8.11 Procedure for tendering Equity Shares held in Physical Form:

8.11.1 The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Member and submit complete set of documents for verification procedure as mentioned below:

- (a) Original share certificate(s)
- (b) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.
- (c) Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all Transferors)
- (d) Any other relevant document such as Power of Attorney, corporate authorization (including Board Resolution/Specimen Signature)
- (e) Self-attested copy of address proof such as valid Aadhar Card, Voter ID, Passport

8.11.2 The Seller Member(s) should place bids on the Exchange Platform with relevant details as mentioned on Physical Share Certificate(s). The Seller Member(s) to print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No., Dist. Nos., No. of shares, etc.

- 8.11.3 The Seller Members have to deliver the shares & documents along with TRS to the RTA. Physical Share Certificates to reach RTA within 2 days of bidding by Seller Member.
- 8.11.4 Shareholders holding Physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA, the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- 8.11.5 In case, any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

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

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

In case the Equity Shares are in dematerialised form:

An Eligible Person may participate in the Offer by approaching Stock Broker/Selling Member and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer.

In case the Equity Shares are in Physical form:

An Eligible Persons may participate in the Offer by confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, DPS and the Letter of Offer. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in this Letter of Offer) should reach the Registrar of the Company before 5:00 PM on the Closing Date. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.

8.13 Settlement Process

- 8.13.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the account of Clearing Corporation.
- 8.13.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.13.3 The payment will be made to or by the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Seller Member/Custodian Participant will receive funds pay-out in their settlement bank account. The Seller Members/Custodian Participants would pay the consideration to their respective clients.
- 8.13.4 Trading Members should use the settlement number to be provided by the Clearing Corporation to transfer the Shares in favour of Clearing Corporation.
- 8.13.5 Excess demat shares or unaccepted demat Shares, if any, tendered by the Shareholders would be returned to the respective Seller Members by Clearing Corporation as part of the Exchange pay-out process. In case of Custodian Participant Orders, excess demat shares or unaccepted demat Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.
- 8.13.6 Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholders directly by RTA.

- 8.13.7 Every Seller Member, who puts in a valid bid on behalf of an eligible Person, would issue a contract note & pay the consideration for the Equity Shares accepted under the Open Offer and return the balance unaccepted demat Equity Shares to their respective clients. Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under the Open Offer.
- 8.13.8 Shareholders who intend to participate in the Offer should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction) . The consideration received by the selling Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers and the PACs accepts no responsibility to bear or pay such additional cost, charges and expenses((including brokerage) incurred solely by the Selling Shareholder.
- 8.14**Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected except where 'No Objection Certificate' from lenders is attached.
- 8.15**The Letter of Offer would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.
- 8.16**The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the website of SEBI i.e. 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\
- 8.17**In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirers and the PACs for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirers and the PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders of Target Company at the office of the Manager to the Offer, Mark Corporate Advisors Private Limited at 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off Western Express Highway, Vile Parle (East), Mumbai- 400 057, on any day (except Saturdays, Sundays and Public Holidays) between 10.30 AM to 2.00 PM from the Date of Opening of the Offer till the Date of Closure of the Offer:

- 1) Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- 2) Certified Un-Audited Financials for the period ended June 30, 2016 and Annual Accounts for the financial years ended March 31, 2016, March 31, 2015, and March 31, 2014 of the Target Company.
- 3) Certificate dated July 01, 2016, issued by Mr. P. Hanumantha Rao, Partner of M/s V. Rao & Gopi, Chartered Accountants (Membership No. 026990) (FRN: 003153S) certifying the Networth of the Acquirer 1 as on June 30, 2016.
- 4) Certificate dated July 07, 2016, issued by Mr. G. Sambasiva Rao, Partner of M/s G Sambasiva Rao & Co., Chartered Accountants (Membership No. 023047) (FRN: 003537S) certifying the Networth of the Acquirer 2 as on March 31, 2016.
- 5) Certificate dated July 28, 2016, issued by Mr. Mahidhar S. G., Partner of M/s Visweswara Rao & Associates, Chartered Accountants (Membership No. 216463) (FRN: 005774S) certifying the Networth of the Acquirer 3 as on June 30, 2016.
- 6) Certificate dated October 19, 2016, issued by Mr. Mahidhar S. G., Partner of M/s Visweswara Rao & Associates, Chartered Accountants (Membership No. 216463) (FRN: 005774S) certifying the Networth of the PAC 1 as on June 30, 2016.

- 7) Certificate dated October 19, 2016, issued by Mr. Mahidhar S. G., Partner of M/s Visweswara Rao & Associates, Chartered Accountants (Membership No. 216463) (FRN: 005774S) certifying the Networth of the PAC 2 as on June 30, 2016.
- 8) Certificate dated October 19, 2016, issued by Mr. Mahidhar S. G., Partner of M/s Visweswara Rao & Associates, Chartered Accountants (Membership No. 216463) (FRN: 005774S) certifying the Networth of the PAC 3 as on June 30, 2016.
- 9) Certificate dated August 24, 2016, issued by Mr. M. Madhusudhan Reddy (Membership No. 213077), Partner of M/s M M Reddy & Co., Chartered Accountants (FRN: 010371S), certifying that the Acquirers have firm and adequate financial resources to meet the financial obligations under the Open Offer.
- 10) Valuation Report dated August 23, 2016 issued by Mr. M. Madhusudhan Reddy (Membership No. 213077), Partner of M/s M M Reddy & Co., Chartered Accountants (FRN: 010371S), certifying the Fair Value of Krisani Bio Sciences Private Limited and PC Products India Limited.
- 11) Memorandum of Understanding between Lead Manager i.e. Mark Corporate Advisors Private Limited and the Acquirers.
- 12) Share Purchase Agreement ('SPA') entered between the Acquirers and the Promoter/Seller on August 24, 2016.
- 13) Letter from Kotak Mahindra Bank Limited dated August 26, 2016 confirming the balance of ₹70,00,000 in the Cash Escrow Account.
- 14) Due Diligence Certificate dated September 02, 2016 submitted to SEBI by Mark Corporate Advisors Private Limited, Manager to the Offer.
- 15) Undertaking from the Acquirers and the PACs for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all the Shareholders of the Target Company whose applications are accepted in the Open Offer.
- 16) Undertaking from the Acquirers and the PACs with regard to Responsibility under Regulation 2(o) and Regulation 7(4) of SEBI (SAST) Regulations.
- 17) Copies of the Public Announcement ('PA') dated August 24, 2016 (Wednesday) & a published copy of the Detailed Public Statement ('DPS') which appeared in the newspapers on August 30, 2016 (Tuesday).
- 18) A copy of the Recommendations to be published on or before November 18, 2016 (Friday) made by the Board of Independent Directors of the Target Company as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.
- 19) Copy of the Observation Letter no SEBI/HO/CFD/DCR/2016/30183/1 dated November 03, 2016 issued by SEBI.

10. DECLARATION BY THE ACQUIRERS AND THE PACS

The Acquirers and the PACs, accepts full responsibility, for the information contained in this Letter of Offer and also for ensuring the compliance with the obligations of the Acquirers and the PACs as laid down in the SEBI (SAST) Regulations.

We, the Acquirers and the PACs, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this Letter of Offer is in compliance with the SEBI (SAST) Regulations, 2011, and that it contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer are true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Manager to the Offer hereby states that the person(s) signing this Letter of Offer are the Acquirers and the PACs:

Acquirer 1
Mohammed Aejaaz Habeeb
(Signed by duly constituted Power of Attorney holder Kalidindi Krishnam Raju)

Acquirer 2
Syed Ameer Basha Paspala
(Signed by duly constituted Power of Attorney holder Kalidindi Krishnam Raju)

Acquirer 3
Kalidindi Krishnam Raju

Sd/-

Sd/-

Sd/-

PAC 1
Kalidindi Sarada Vijaya Kumari
(Signed by duly constituted Power of Attorney holder Kalidindi Krishnam Raju)

PAC 2
Kalidindi Nirusha
(Signed by duly constituted Power of Attorney holder Kalidindi Krishnam Raju)

PAC 3
Penmetsa Parvathi
(Signed by duly constituted Power of Attorney holder Kalidindi Krishnam Raju)

Sd/-

Sd/-

Sd/-

Date : November 07, 2016

Place : Hyderabad