

**LETTER OF OFFER (“LOF”)**

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

This Letter of Offer is being sent to you as Public Shareholder(s) (*as defined herein below*) of Hi-Klass Trading and Investment Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer (*as defined herein below*) or the Registrar to the Offer as defined herein below. In the event you have sold your Equity Shares in the Target Company, please hand over the Letter of Offer to the members of the stock exchange through whom the said sale was effected.

**OPEN OFFER BY**

**Sanjay Kumar Jain (“Acquirer 1”) and Suman Jain (“Acquirer 2”)**

both residing at 2/1A, Justice Dwarka Nath Road, L R Sarani, Kolkata -700020, West Bengal, India;

**Tel. No.:** +91 9831021394 / 9831210831; **Fax:** NA; **Email Id:** [skjain010@yahoo.com](mailto:skjain010@yahoo.com) / [sumanjain010@yahoo.com](mailto:sumanjain010@yahoo.com);  
respectively, (Acquirer 1 and Acquirer 2 hereinafter collectively referred to as “Acquirers”)

To the Public Shareholder(s) of

**HI-KLASS TRADING AND INVESTMENT LIMITED (“Target Company”)**

**Registered Office:** Office No. 15, 2<sup>nd</sup> Floor, Plot No. 24, Rehman Building, Veer Nariman Road, Hutatma Chowk, Fort, Mumbai - 400001, Maharashtra, India

**Tel:** +91 22 22874084/22874085; **Email:** [info@hiklass.co.in](mailto:info@hiklass.co.in); **Fax:** NA; **Website:** [www.hiklass.co.in](http://www.hiklass.co.in);

**Corporate Identification Number:** L51900MH1992PLC066262

To acquire upto **8,07,612** (Eight Lacs Seven Thousand Six Hundred and Twelve) (“Offer Shares”) fully paid up Equity Shares of face value of Rs. 10 each, representing **26%** of the total voting share capital of the Target Company on a fully diluted basis, as of the tenth working day from the closure of the Tendering Period (*as defined herein below*) of the Open Offer from the Public Shareholders of the Target Company for cash at Offer Price of Rs. **17.80/-** per equity share including interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date (“Offer Price”).

**Please Note:**

1. This Offer is being made by the Acquirers pursuant to regulations 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“Takeover Regulations”).
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of Takeover Regulations.
3. This Open Offer is not a competing offer in terms of regulation 20 of the Takeover Regulations.
4. **There has been no competing offer as on the date of this Letter of Offer.**
5. As on the date of this LOF, to the best of the knowledge of the Acquirers, there are no regulatory or statutory approvals required other than the prior approval from the Reserve Bank of India (“RBI”) in accordance with Notification No. DBNR(PD)CC.No.065.03.10.001/2015-16 issued by RBI dated July 09, 2015 (“RBI Circular”) as amended from time to time, for change in management and transfer of management control of Non- Banking Finance Company. Target Company being a NBFC registered with RBI, the aforesaid RBI Circular is applicable and binding. **The Target Company has received approval from RBI vide letter DoS.CO.RSG No. 109/13.08.006/2020-21 dated December 11, 2020 which is valid till for a period of six months.**
6. If there is any upward revision in the Offer Price or the number of Offer Shares sought to be acquired under the Open Offer by the Acquirers, at any time prior to the commencement of the last one working day before the commencement of the tendering period i.e. upto **December 29, 2020**, the same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement (“DPS”) appeared. Such revision in the Open Offer Price would be payable by the Acquirers for all the shares validly tendered anytime during the Tendering Period of the Open Offer.
7. In the event of withdrawal of offer, a public announcement will be made within two (2) Working Days of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) has been published and such public announcement will also be sent to the Stock Exchange, SEBI and the Target Company at its registered office.
8. A copy of the Public Announcement, the DPS and Letter of Offer are also available on SEBI’s website: [www.sebi.gov.in](http://www.sebi.gov.in).

 <b>SAFFRON</b> energising ideas	
<b>SAFFRON CAPITAL ADVISORS PRIVATE LIMITED</b> 605, Sixth Floor, Centre Point, J.B. Nagar, Andheri (East), Mumbai - 400 059, India <b>Tel. No.:</b> +91 22 4082 0914/915 <b>Fax No.:</b> +91 22 4082 0999 <b>Email id:</b> <a href="mailto:openoffers@saffronadvisor.com">openoffers@saffronadvisor.com</a> <b>Website:</b> <a href="http://www.saffronadvisor.com">www.saffronadvisor.com</a> <b>Investor grievance:</b> <a href="mailto:investorgrievance@saffronadvisor.com">investorgrievance@saffronadvisor.com</a> <b>SEBI Registration Number:</b> INM000011211 <b>Validity:</b> Permanent <b>Contact Person:</b> Amit Wagle/ Gaurav Khandelwal	<b>PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED</b> Unit no. 9, Shiv Shakti Ind. Estate, J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai - 400 011, India; <b>Tel. No.:</b> +91 22-2301 2518 / 2301 6761; <b>Fax No.:</b> NA <b>E-mail:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a> <b>SEBI Registration Number:</b> INR000001112 <b>Validity:</b> Permanent <b>Contact Person:</b> Deepali Dhuri
<b>OFFER OPENS ON: WEDNESDAY, DECEMBER 30, 2020</b>	<b>OFFER CLOSSES ON: TUESDAY, JANUARY 12, 2021</b>

## SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Day and Date (Original)	\$ Day and date (Revised)
Public Announcement (PA)	Thursday, October 03, 2019	Thursday, October 03, 2019
Publication of DPS in the newspapers	Friday, October 11, 2019	Friday, October 11, 2019
Filing of the draft letter of offer with SEBI	Friday, October 18, 2019	Friday, October 18, 2019
Last date for a competitive bid	Monday, November 04, 2019	Monday, November 04, 2019
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Monday, November 11, 2019	Monday, December 9, 2019
Identified Date*	Thursday, November 14, 2019	Tuesday, December 15, 2020
Letter of Offer to be dispatched to Public Shareholders	Thursday, November 21, 2019	Tuesday, December 22, 2020
Last date for revising the Offer price/ number of shares	Wednesday, November 27, 2019	Tuesday, December 29, 2020
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Tuesday, November 26, 2019	Monday, December 28, 2020
Date of publication of Offer Opening Public Announcement	Wednesday, November 27, 2019	Tuesday, December 29, 2020
Date of commencement of Tendering Period ( <b>Offer Opening Date</b> )	Thursday, November 28, 2019	Wednesday, December 30, 2020
Date of Expiry of Tendering Period ( <b>Offer Closing Date</b> )	Wednesday, December 11, 2019	Tuesday, January 12, 2021
Last Date for completion of all requirements including payment of consideration	Thursday, December 26, 2019	Wednesday, January 27, 2021

*\$ As per SEBI extension letter SEBI/HO/CFD/DCRI/OW/P/2019/34967/1 dated December 30, 2019, a period of twelve working days is to be calculated from the date of receipt of RBI Approval. The Target Company has received the RBI approval on December 11, 2020 and accordingly the schedule of activity has been calculated from the date of RBI approval, i.e. December 11, 2020.*

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

*The above timelines are tentative (prepared on the basis of timelines provided under the Takeover Regulations) and are subject to change for any reason, including, but not limited, delays in receipt of approvals (including from RBI) or comments from regulatory authorities.*

## RISK FACTORS

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### I. RISK FACTORS RELATING TO THE TRANSACTION

- As on the date of this LOF, to the best of the knowledge of the Acquirers, there are no regulatory or statutory approvals required other than the prior approval from the Reserve Bank of India (“RBI”) in accordance with Notification No. DBNR(PD)CC.No.065.03.10.001/2015-16 issued by RBI dated July 09, 2015 (“RBI Circular”) as amended from time to time, for change in management and transfer of management control of Non- Banking Finance Company. Target Company being a NBFC registered with RBI, the aforesaid RBI Circular is applicable and binding. **The Target Company has received approval from RBI vide letter DoS.CO.RSG No. 109/13.08.006/2020-21 dated December 11, 2020 which is valid for a period of six months.**
- To the best of the knowledge of the Acquirers, there are no other statutory approvals required by the Acquirers to complete this Offer. However, in case of any other statutory approvals are required by the Acquirers at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such statutory approvals. In case of delay in receipt of any such statutory or regulatory approvals, as per Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirers agreeing to pay interest to the Public Shareholders for delay beyond 10th Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the Takeover Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture. Where the statutory or regulatory approvals extend to some but not all the Public Shareholders, the Acquirers shall have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such Public Shareholders.
- In case the public shareholding in the Target Company falls below the Minimum Public Shareholding, the Acquirers hereby undertake to reduce their shareholding in the Target Company in accordance with Regulation 7(4) of the Takeover Regulations, within the time period specified in the SCRR, such that the Target Company complies with the Minimum Public Shareholding requirement.
- In terms of and in accordance with Regulation 23(1) of the Takeover Regulations, if the conditions precedent and other conditions as stated in paragraph VII (B) are not satisfactorily complied with for reasons beyond the control of the Acquirers, the Open Offer would stand withdrawn. The Acquirers reserve the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the Takeover Regulations in the event the requisite statutory approvals that may be necessary at a later date are refused.
- If at a later date, any other statutory or regulatory or other approvals / no objections are required, the Open Offer would become subject to receipt of such other statutory or regulatory or other approvals / no objections.

### II. RISK RELATING TO THE OFFER

- This Open Offer is an offer to acquire not more than 26% of the Total Voting Share Capital of the Target Company from the Public Shareholders. In the case of Equity Shares tendered in the Open Offer by the Public Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted.
- In the event that either: (a) regulatory or statutory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirers from performing his obligations hereunder, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirers may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers agreeing to pay interest to the validly tendering Shareholders.
- The Equity Shares tendered in the Offer will be held in the special account of the Clearing Corporation till the process of acceptance of tenders and the payment of consideration is completed. The

Shareholders will not be able to trade in such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirers makes no assurance with respect to the market price of the Equity Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

- The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Letter of Offer / Draft Letter of Offer / Detailed Public Statement / Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirers, or the Manager to the Offer) would be doing so at his/her/their own risk.
- Public Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the tendering period even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.
- This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirers or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
- The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
- This Offer is subject to completion risks as would be applicable to similar transactions.

### **III. RISK RELATING TO ACQUIRERS AND THE TARGET COMPANY**

- Acquirers makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
- The Acquirers cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and the Acquirers 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.

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

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## I. KEY DEFINITIONS

<b>Acquirers</b>	Collectively, Acquirer 1 and Acquirer 2.
<b>Acquirer 1</b>	Sanjay Kumar Jain residing at 2/1A, Justice Dwarka Nath Road, L R Sarani, Kolkata -700020, West Bengal, India
<b>Acquirer 2</b>	Suman Jain residing at 2/1A, Justice Dwarka Nath Road, L R Sarani, Kolkata -700020, West Bengal, India
<b>ASE</b>	Ahmedabad Stock Exchange Limited
<b>Board of Directors</b>	Board of directors of the Target company
<b>Book Value per equity Share</b>	Book value per equity share of the Target Company is calculated by dividing the networth by number of equity shares issued and outstanding
<b>BSE</b>	BSE Limited
<b>Buying Broker</b>	Stock broker appointed by Acquirers for the purpose of this Open Offer i.e. Choice Equity Broking Private Limited having its registered office at Shree Shakambhari Corporate Park, Plot No. 156-158, J B Nagar, Andheri (East), Mumbai-400099, Maharashtra, India
<b>CDSL</b>	Central Depository Services (India) Limited
<b>CIN</b>	Corporate Identification Number
<b>Companies Act</b>	The Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time.
<b>Depositories</b>	CDSL and NSDL
<b>Detailed Public Statement/ DPS</b>	Detailed Public Statement dated Thursday, October 10, 2019, issued by the Manager to the Offer, on behalf of the Acquirers, in relation to the Offer and published in all editions of Financial Express (English), Jansatta (Hindi), and Mumbai Lakshdeep (Marathi) on Friday, October 11, 2019 in accordance with the Regulations 3(1) and 4 read with Regulations 13(4), 14 and 15(2) and other applicable regulations of the Takeover Regulations.
<b>DIN</b>	Director Identification Number
<b>Draft Letter of Offer</b>	The Draft Letter of Offer filed with SEBI in accordance with Regulation 16(1) of the SEBI (SAST) Regulations.
<b>DP</b>	Depository participant
<b>DTAA</b>	Double Taxation Avoidance Agreement
<b>Eligible Persons to participate in the Offer / Public Shareholders</b>	All Equity Shareholder's (registered or unregistered) of the Target Company excluding (i) the Acquirers; (ii) parties to the SPAs ( <i>defined hereinafter</i> ); and (iii) the persons deemed to be acting in concert with the persons set out in (i) and (ii) are eligible to participate in the Offer any time before the closure of the Offer
<b>EPS</b>	Earnings Per Share calculated as Profit after Tax divided by Number of equity shares issued
<b>Equity Share(s)/ Share(s)</b>	The fully paid up equity share(s) of the Target Company having a face value of Rs. 10 (Rupees Ten) per equity share
<b>Equity Share Capital / Voting Share Capital</b>	The Paid-up Share Capital of the Target Company is Rs. 3,10,62,000 comprising of 31,06,200 Equity Shares of Rs. 10 each.
<b>Escrow Agreement</b>	Escrow Agreement entered between the Acquirers, Escrow Agent and Manager to the Offer
<b>Escrow Cash Account</b>	Escrow account in the name and style of "HI – KCLASS OPEN OFFER – ESCROW ACCOUNT" bearing Account number 000405121856 opened with Escrow Bank
<b>Escrow Bank / Escrow Agent</b>	ICICI Bank Limited, a banking company incorporated under Companies Act, 1956 and licensed under the Banking Regulation Act, 1949
<b>FEMA</b>	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
<b>FII(s)</b>	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors
<b>FIPB</b>	Foreign Investment Promotion Board
<b>Fiscal</b>	The financial year from April 1 to March 31.
<b>FY</b>	Financial Year

<b>Issued and Subscribed Share Capital</b>	The Issued and Subscribed Share Capital of the Target Company is Rs. 6,13,21,000 comprising of 61,32,100 Equity Shares of face value of Rs 10 each
<b>Identified Date</b>	Tuesday, December 15, 2020 , i.e., the date falling on the 10 <sup>th</sup> (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent
<b>KYC</b>	Know Your Client
<b>Letter of Offer/ LOF</b>	This Letter of Offer dated December 18, 2020, after duly incorporating SEBI's comments on the Draft Letter of Offer
<b>LODR Regulations/SEBI LODR Regulations</b>	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
<b>Manager to the Offer</b>	Saffron Capital Advisors Private Limited
<b>MOU</b>	Memorandum of Understanding
<b>NBFC</b>	Non-Banking Financial Company
<b>NECS</b>	National Electronic Clearing System
<b>NEFT</b>	National Electronic Funds Transfer
<b>NRI</b>	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended
<b>NSDL</b>	National Securities Depository Limited
<b>OCB</b>	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
<b>Offer/Open Offer</b>	The Offer being made by the Acquirers for acquiring upto <b>8,07,612 (Eight Lacs Seven Thousand Six Hundred and Twelve)</b> Equity Shares representing 26% of the Voting Share Capital, from the Public Shareholders at the Offer Price payable in cash
<b>Offer Consideration</b>	The maximum consideration payable under this Offer, assuming full acceptance, is Rs. <b>1,43,75,494</b> (Rupees One Crore Forty Three Lacs Seventy Five Thousand Four Hundred Ninety Four only)
<b>Offer Period</b>	Period commencing from Thursday, October 03, 2019 till the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be.
<b>Offer Price</b>	Rs. <b>17.80/-</b> (Rupees Seventeen and Eighty Paise Only) per Equity Share including interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date
<b>Offer Size/Offer Shares</b>	Up to <b>8,07,612</b> (Eight Lacs Seven Thousand Six Hundred and Twelve Only) Equity Shares representing 26% of the Voting Share Capital
<b>PAN</b>	Permanent Account Number
<b>PAT</b>	Profit After Tax
<b>Public Announcement/PA</b>	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirers on October 03, 2019 in accordance with Takeover Regulations
<b>PSE</b>	Pune Stock Exchange Limited
<b>RBI</b>	Reserve Bank of India
<b>Registrar to the Offer</b>	Purva Share Registry (India) Private Limited
<b>Sale Shares</b>	<b>8,17,500</b> fully paid up Equity Shares, representing <b>26.32%</b> of the Voting Share Capital, proposed to be acquired by the Acquirers from the Sellers ( <i>as defined herein below</i> ) pursuant to the SPA ( <i>as defined herein below</i> )
<b>SCRR</b>	Securities Contract (Regulations) Rules, 1957, as amended
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEBI Act</b>	SEBI Act, 1992, as amended
<b>SEBI (SAST) Regulations, 1997 / Takeover Regulations</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendments thereof
<b>SEBI (SAST) Regulations, 2011 / Regulations / Takeover Regulations</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 2011 and subsequent amendments thereof.
<b>Sellers</b>	Collectively, Sellers 1 to Sellers 4
<b>Seller 1</b>	Mr. Pravin Kesharchand Chopda holding 5,51,100 Equity Shares

<b><i>Seller 2</i></b>	M/s. Suresh Tarachand Jain HUF holding 2,21,300 Equity Shares
<b><i>Seller 3</i></b>	Mr. Vimal Shantilal Patangia holding 20,000 Equity Shares
<b><i>Seller 4</i></b>	Mr. Suresh Tarachand Jain holding 25,100 Equity Shares
<b><i>Selling Member / Broker</i></b>	Respective stock brokers of all Shareholders who desire to tender their Equity Shares under the Open Offer
<b><i>SPA / Share Purchase Agreement</i></b>	Share purchase agreement dated October 03, 2019 entered into between the Acquirers and the Sellers (“SPA”)
<b><i>Scheduled Payment Date</i></b>	Scheduled Payment Date shall mean date by which the Acquirers should have completed the payment to the Public Shareholders of the Target Company, i.e. January 22, 2020
<b><i>Stock Exchange</i></b>	BSE Limited
<b><i>Target Company</i></b>	Hi-Klass Trading and Investment Limited having its registered office at Office No. 15, 2nd Floor, Plot No. 24, Rehman Building, Veer Nariman Road, Hutatma Chowk, Fort, Mumbai - 400001, Maharashtra, India
<b><i>Tendering Period</i></b>	Wednesday, December 30, 2020 to Tuesday, January 12, 2021
<b><i>TRS</i></b>	Transaction Registration Slip
<b><i>Working Day</i></b>	A working day of SEBI, as defined in regulation 2(1)(zf) of the Takeover Regulations

*Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the Takeover Regulations, unless specified otherwise.*



## **II. DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF HI-KLASS TRADING AND INVESTMENT LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGES HIS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 17, 2019 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”**

### III. DETAILS OF THE OFFER

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#### A) Background of the Offer

1. This mandatory Offer is being made by the Acquirers in compliance with Regulations 3(1) and 4 of and other applicable provisions of the Takeover Regulations, to acquire up to **8,07,612** (Eight Lacs Seven Thousand Six Hundred and Twelve) Equity Shares of face value ₹ 10/- (Rupees Ten only) each, representing **26%** of the Voting Share Capital of the Target Company from the Public Shareholders.
2. Acquirers have entered into an SPA with the Sellers pursuant to which the Sellers have agreed to sell the Sale Shares representing **26.32%** of the Voting Share Capital of the Target Company, for an aggregate consideration of Rs. **49,05,000** (Forty Nine Lacs Five Thousand only), computed at Rs. **6/-** (Rupees Six only) per Sale Share. The consideration for the Sale Shares shall be paid in cash by the Acquirers. The acquisition will also result in the change in control and management of the Target Company.
3. ***The important clauses including some of the conditions precedent to consummating the underlying Transaction, as mentioned in the SPA are as follows:***
  - a) The Acquirers intend to buy from the Sellers and the Sellers intend to sell to the Acquirers **8,17,500** (Eight Lacs Seventeen Thousand Five Hundred Only) fully paid-up Equity Shares constituting 26.32% of the total Voting Share Capital of the Target Company for an aggregate sale consideration of Rs. **49,05,000** (Rupees Forty Nine Lacs Five Thousand only) (“SPA Consideration”) through an off market transaction;
  - b) The Acquirers shall pay the SPA Consideration to the Sellers by Demand draft or in such other manner as may be specified by the Sellers;
  - c) The Sellers confirm that the Sale Shares are fully paid up and the said shares are free from all lien, charges, encumbrances and the Sellers shall hand over the said confirmation letter to the Acquirers along with the letter received from the Target Company;
  - d) The Acquirers are fully aware that the Sale Shares are under lock-in and lock-in on these shares shall continue till the completion of the lock in period.
  - e) From the date of entering into the SPA till the date of the Closure, the Sellers shall not, except with the prior consent of the Acquirers, sell, transfer, gift, exchange or dispose of or any way deal in the equity shares of the Target Company or create any right, interest or encumbrance over the Sale Shares;
  - f) On closing (as defined in SPA), the Parties shall take all steps necessary for fulfilling their respective obligations under the SPA and for Closing of the transaction envisaged in the SPA.
4. The Offer Price is payable in cash, in accordance with Regulation 9 (1) of the Takeover Regulations.
5. This Offer is not made pursuant to any indirect acquisition, arrangement or agreement and is not a conditional offer.
6. This Offer is not a result of a global acquisition, an open market purchase or a negotiated deal
7. Post completion of Open Offer, either the Acquirers will appoint themselves as the new directors or appoint their nominees as the director of the Target Company.
8. The Sellers shall cease to be the Promoters of Target Company and relinquish the management control of the Target Company in favor of the Acquirers. The Acquirers will acquire control of the Target Company, and be classified as promoters subject to the approval of the shareholders of the Company in accordance with Regulation 31A of the SEBI LODR Regulations.
9. The Committee of Independent Directors of the Board of the Target Company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared latest by Monday, December 28, 2020.
10. The acquisition of 26% of the Voting Share Capital (assuming full acceptances) under the Offer will not result in the public shareholding in the Target Company falling below the level required for continuous listing. To the extent the Acquirers post-Offer holding in the Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, as amended (the “SCRR”), the Acquirers undertake to reduce their shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and the SEBI LODR Regulations.

**B) Details of the proposed Offer:**

1. The Public Announcement announcing the Open offer, under Regulation 3(1) and Regulation 4 was made on Thursday, October 03, 2019 to BSE and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office.
2. The Acquirers have published the DPS on Friday, October 11, 2019, which appeared in the following newspapers:

<u>Sl. no.</u>	<u>Newspapers</u>	<u>Language</u>	<u>Editions</u>
1	Financial Express	English	All Editions
2	Jansatta	Hindi	All Editions
3	Mumbai Lakshdeep	Marathi	Mumbai

A copy of the DPS is also available on the SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in)

3. The Offer is being made to all the Public Shareholders of the Target Company. All Equity Shares validly tendered in the Open Offer will be acquired by the Acquirers in accordance with the terms and conditions set forth in this Letter of Offer. The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
4. The Offer is not a competing offer in terms of Regulation 20 of the Takeover Regulations.
5. The Manager to the Offer does not hold any Equity Shares as on the date of this Letter of Offer. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares of the Target Company during the Offer Period.
6. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations.
7. Other than aforesaid, the Acquirers have confirmed that they have not acquired any Equity Shares of the Target Company after the date of PA i.e. October 03, 2019, and up to the date of this Letter of Offer.
8. In the event that the Equity Shares tendered in the Open Offer by the Public Shareholders are more than the Offer Size, the acquisition of Equity Shares from the Public Shareholders will be on a proportionate basis, as detailed in paragraph VIII of this Letter of Offer.

#### **IV. OBJECT OF THE ACQUISITION/ OFFER**

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1. At present, the Acquirers do 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 may continue to support the existing business of the Target Company. However, in case the Acquirers intend to build new businesses it shall be subject to the prior approval of the Shareholders.
2. The Acquirers 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. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25 (2) of Takeover Regulations.
3. The object of the acquisition is to acquire substantial shares/voting rights accompanied with change in management and control of the Target Company. As the Acquirers are having experience and knowledge of the Finance industry and stock market, they will use their expertise in the running of the NBFC business.

## V. BACKGROUND OF THE ACQUIRERS

### A. Mr. Sanjay Kumar Jain (“Acquirer 1”)

- (a) Sanjay Kumar Jain aged 53 years, S/o Late Ratan Lal Jain, is residing at 2/1A, Justice Dwarka Nath Road, L R Sarani, Kolkata - 700020, West Bengal, India; Tel: +91 9831021394; Email: skjain010@yahoo.com.
- (b) Acquirer 1 has completed his Master of Business Administration (MBA) from Karapagam Academy of Higher Education (KARPAGAM) in the year 2012. He is an 'Authorized Person' as defined under SEBI Circular MIRSD/Dr-1/Cir-16/09 dated November 06, 2009 and operates through his proprietorship M/s Suman Securities which is currently affiliated with ISS Enterprise Limited. The Authorized Person registration number is AP0109180196982.
- (c) Acquirer 1 doesn't belong to any group.
- (d) Acquirer 1 is holding a Permanent Account Number- AEFPJ2439F.
- (e) The details of the ventures promoted/controlled/managed by the Acquirer 1 is given hereunder:

Sr. No.	Name of the Entities	Nature of Interest	Percentage stake/holding
1.	Hindusthan Club Ltd.	Director	Nil
2.	ASZ Infratech LLP	Designated Partner	5%

(Source: [www.mca.com](http://www.mca.com))

- (f) Except as mentioned under point e above, Acquirer 1 confirms that he does not hold directorships in any company, including a listed company.
- (g) Acquirer 1 hereby undertakes and confirms that the companies mentioned under point # e above are not participating or interested or acting in concert in this Open Offer.
- (h) Acquirer 1 hereby undertakes and confirms that the companies mentioned in point# e above are not appearing in the willful defaulters list of Reserve Bank of India and are not debarred by SEBI from accessing capital markets as on date.
- (i) The Networth of Acquirer 1 as on September 16, 2019 is Rs. 156.14 Lacs (Rupees One Crore Fifty Six Lac and Fourteen Thousand only) and the same is certified by Mr. Arun Kumar Jain, Proprietor of Arun Jain & Associates, Chartered Account-ant (Membership No. 053693; FRN No. 325867E having office at 2B, Grant Lane, 2nd Floor, Kolkata – 700 012; Email id: caarunkolkata@gmail.com, vide certificate dated September 20, 2019.
- (j) Acquirer 1 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other Regulation made under the SEBI Act.
- (k) Acquirer 1 undertakes not to sell the equity shares of the Target Company held by him during the “Offer Period” in terms of Regulation 25(4) of the Takeover Regulations.
- (l) There are no Persons Acting in Concert (“PAC”) along with Acquirer 1 in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the Takeover Regulations other than Acquirer 2.
- (m) Acquirer 1 confirms that currently there are no pending litigations pertaining to securities market where he is made party to.
- (n) Acquirer 1 confirms that he is not related to the Promoters, Directors or key employees of the Target Company in any manner.
- (o) Acquirer 1 has confirmed that he is not categorized as a “willful defaulter” in terms of regulation 2(1) (ze) of the Takeover Regulations.
- (p) Acquirer 1 holds 35,000 equity shares, representing 1.13% of the Voting Share Capital of the Target Company as on the date of this Letter of Offer.
- (q) He along with Acquirer 2 has signed a Share Purchase Agreement dated October 03, 2019 with the Sellers to acquire **8,17,500** equity shares constituting **26.32%** of the Voting Share Capital of the Target Company.
- (r) Acquirer 1 has not entered into any non-compete arrangement and/or agreement with the Sellers.
- (s) Acquirer 1 confirms that he has not been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- (t) Mr. Sanjay Kumar Jain is party to the case related with Income Tax matter under section 276 C(1), 277 and 278 of the Income Tax Act, 1961 and under section 120B and 34 of the Indian Penal Code, 1860. Presently the case is under process and next hearing date is December 18, 2019.

**B. Mrs. Suman Jain (“Acquirer 2”)**

- (a) Suman Jain aged 52 years, W/o Mr. Sanjay Kumar Jain, is residing at 2/1A, Justice Dwarka Nath Road, L R Sarani, Kolkata - 700020, West Bengal, India; Tel: +91 9831210831; Email: sumanjain010@yahoo.com.
- (b) Acquirer 2 has completed her Higher Secondary from West Bengal Council of Higher Secondary Education in the year 1987. She is an 'Authorized Person' as defined under SEBI Circular MIRSD/Dr-1/Cir-16/09 dated November 06, 2009 and works with Ashika Stock Broking Limited. The Authorized Person registration number is AP0109120169858.
- (c) Acquirer 2 doesn't belong to any group.
- (d) Acquirer 2 is holding a Permanent Account Number- ACQPJ1880K.
- (e) The details of the ventures promoted/controlled/managed by the Acquirer 2 is given hereunder:

<i>Sr. No.</i>	<i>Name of the Entities</i>	<i>Nature of Interest</i>	<i>Percentage stake/holding</i>
1.	Nil	Nil	Nil

(Source: www.mca.com).

- (f) Except as mentioned under point #e above, Acquirer 2 confirms that she does not hold directorships in any company, including a listed company.
- (g) Acquirer 2 hereby undertakes and confirms that the companies mentioned under point # e above are not participating or interested or acting in concert in this Open Offer.
- (h) Acquirer 2 hereby undertakes and confirms that the companies mentioned in point# e above are not appearing in the willful defaulters list of Reserve Bank of India and are not debarred by SEBI from accessing capital markets as on date.
- (i) The Networth of Acquirer 2 as on September 13, 2019 is Rs. 146.13 Lacs (Rupees One Crore Forty Six Lac and Thirteen Thousand only) and the same is certified by Mr. Arun Kumar Jain, Proprietor of Arun Jain & Associates, Chartered Accountant (Membership No. 053693; FRN No. 325867E having office at 2B, Grant Lane, 2nd Floor, Kolkata – 700 012; Email id: caarunkolkata@gmail.com, vide certificate dated September 20, 2019.
- (j) Acquirer 2 confirms that she has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other Regulation made under the SEBI Act.
- (k) Acquirer 2 undertakes not to sell the equity shares of the Target Company held by her during the “Offer Period” in terms of Regulation 25(4) of the Takeover Regulations.
- (l) There are no Persons Acting in Concert (“PAC”) along with Acquirer 2 in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the Takeover Regulations except Acquirer 1.
- (m) Acquirer 2 confirms that currently there are no pending litigations pertaining to securities market where she is made party to.
- (n) Acquirer 2 confirms that she is not related to the Promoters, Directors or key employees of the Target Company in any manner.
- (o) Acquirer 2 has confirmed that she is not categorized as a “willful defaulter” in terms of regulation 2(1) (ze) of the Takeover Regulations.
- (p) Acquirer 2 holds 35,000 equity shares, representing 1.13% of the Voting Share Capital of the Target Company as on the date of this Letter of Offer.
- (q) She along with Acquirer 1 has signed a Share Purchase Agreement dated October 03, 2019 with the Sellers to acquire 8,17,500 equity shares constituting 26.32% of the Voting Share Capital of the Target Company.
- (r) Acquirer 2 has not entered into any non-compete arrangement and/or agreement with the Sellers.
- (s) Acquirer 2 confirms that she has not been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

**C. Other Information:**

- i. Ms. Shiksha Jain and Ms. Sejal Jain daughters of the Acquirers hold 30,000 Equity Shares, representing 0.97% of the Total Voting Share Capital and 20,000 Equity Shares, representing 0.64%

of the Total Voting Share Capital of the Target Company respectively. By virtue of the definition of PAC as per Regulation 2(1)(q) of the Takeover Regulations, both Ms. Shiksha Jain and Ms. Sejal Jain are deemed PACs of the Acquirers. Ms. Shiksha Jain and Ms. Sejal Jain vide letter dated October 03, 2019 have confirmed that they don't intend to participate in this Offer, directly or indirectly.

- ii. Ms. Renu Jain, Sister of the Acquirer 1 also holds 20,000 Equity Shares, representing 0.64% of the Total Voting Share Capital of the Target Company. By virtue of the definition of PAC as per Regulation 2(1)(q) of the Takeover Regulations, Ms. Renu Jain is a deemed PAC of Acquirer 1. Ms. Renu Jain vide letter dated October 03, 2019 has confirmed that she doesn't intend to participate in this Offer, directly or indirectly.
- iii. Mr. Dinesh Gangwal, Brother of Acquirer 2 also holds 25,000 Equity Shares, representing 0.80% of the Total Voting Share Capital of the Target Company. By virtue of the definition of PAC as per Regulation 2(1)(q) of the Takeover Regulations, Mr. Dinesh Gangwal is a deemed PAC of Acquirer 2. Mr. Dinesh Gangwal vide letter dated October 03, 2019 has confirmed that he doesn't intend to participate in this Offer, directly or indirectly.
- iv. The Acquirers collectively with the PACs hold 1,65,000 Equity Shares constituting 5.31% of the Voting Share capital of the Target Company.
- v. Since the aforesaid Equity Shares of the Target Company were acquired when the Target Company was transferred to the dissemination board of NSE, compliance with Chapter V of the Takeover Regulations was not applicable. Further, Acquirers confirm that expect aforesaid, they never held the Equity Shares of the Target Company in past. Hence compliance with Chapter II of the SEBI Takeover Regulations, 1997 is not applicable.

## VI. BACKGROUND OF THE TARGET COMPANY

*(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)*

1. The Company was originally incorporated on April 08, 1992, as “Hi-Klass Trading and Investments Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Subsequently, the name of the Company was changed to “Hi-Klass Trading and Investments Limited” vide a name change certificate dated February 22, 1996 issued by the Registrar of Companies, Maharashtra, Mumbai. Target Company confirms that except aforesaid, there are no changes made to the name since its incorporation.
2. The registered office of the Target Company is situated at Office No. 15, 2<sup>nd</sup> Floor, Plot No. 24, Rehman Building, Veer Nariman Road, Hutatma Chowk, Fort, Mumbai - 400001, Maharashtra, India; Tel: +91 22 22874084/22874085; Fax: NA; Email: [info@hiklass.co.in](mailto:info@hiklass.co.in); Website: [www.hiklass.co.in](http://www.hiklass.co.in).
3. Corporate Identification Number of the Target Company is L51900MH1992PLC066262.  
*(Source: [www.mca.gov.in](http://www.mca.gov.in)).*
4. **The main object of the Target Company as per its Memorandum of Association inter-alia includes:-**
  - *To carry on the business of exporting, importing, storing, supplying, purchasing, selling, bartering, exchanging, distributing and otherwise dealing in all kinds of goods, commodities, merchandise produce, things and shares on ready or forward basis on its own account or otherwise.*
  - *To carry on business of investment company and to invest in and to hold, purchase, sell and deal with the stocks, shares, bonds, debenture-stock, mortgage and obligations.*
5. The Target Company is a Non-Banking Financial Company (Non Deposit Accepting or Holding) registered with Reserve Bank of India bearing registration no. **13.00134**. It is engaged in trading and investments in shares, stocks, securities and properties and extends short term loans to corporate and firms/high net worth individuals. *(Source website of the Target Company, [www.hiklass.co.in](http://www.hiklass.co.in))*
6. The total authorized share capital of the Target Company is Rs. 6,50,00,000 comprising of 65,00,000 Equity Shares of face value of Rs 10 each. The issued and subscribed capital of the Target Company is Rs. 6,13,21,000 comprising of 61,32,100 Equity Shares of face value of Rs 10 each. The paid-up share capital of the Target Company is Rs. 3,10,62,000 comprising of 31,06,200 Equity Shares of face value of Rs 10 each.
7. **The equity capital structure of the Target Company as of the date of this Letter of Offer is:**
  - a. **Issued and Subscribed Share capital**

<b>Issued and Subscribed Share capital</b>	<b>Number of Equity Shares (Face Value - Rs. 10/-)/Voting Rights</b>	<b>Percentage of Equity Shares/Voting Rights</b>
Fully paid-up equity shares	61,32,100	100%
Partly paid-up equity shares		
Total paid-up equity shares		
Total voting rights in the Target Company	61,32,100	100%

**b. Paid-up Equity Share Capital**

<b>Paid-up Equity Share Capital</b>	<b>Number of Equity Shares (Face Value - Rs. 10/-)/Voting Rights</b>	<b>Percentage of Equity Shares/Voting Rights</b>
Fully paid-up equity shares	31,06,200	100%
Partly paid-up equity shares		
Total paid-up equity shares		
Total voting rights in the Target Company	31,06,200	100%

**Note:- Details of forfeited equity shares**

<b>Share Capital</b>	<b>Number of shares</b>	<b>Total Amount (Rs.)</b>
<i>Forfeited equity shares of Rs. 10 each, not fully paid up (Rs. 5/- calls in arrears)</i>	1,500	7,500



<i>Forfeited equity shares of Rs. 10 each, not fully paid up (Rs. 2.50/- calls in arrears)</i>	<i>30,24,400</i>	<i>75,61,000</i>
<b>Total</b>	<b>30,25,900</b>	<b>75,68,500</b>

8. There are no outstanding partly paid up shares or any other convertible instruments to be converted into Equity Shares of the Target Company at a future date.
9. The Equity Shares of the Target Company are infrequently traded on BSE in terms of the Takeover Regulations. (Source: [www.bseindia.com](http://www.bseindia.com)).
10. Target Company confirms that it is in compliance with listing requirements and that no penal actions are initiated against it. It has paid listing fees to BSE till date and there are no arrears.
11. In the Year 1997, Target Company made its maiden public issue of 42,82,100 Equity Shares at a price of Rs. 10/- per Equity Share aggregating to Rs. 428.21 Lacs for listing at Ahmadabad Stock Exchange Limited (“ASE”) and Pune Stock Exchange Limited (“PSE”), the regional stock exchanges. The Equity Shares were listed on ASE and PSE w.e.f May 14, 1997. Upon exit of ASE and PSE as stock exchanges, Equity Shares of the Target Company were shifted to the dissemination board of National Stock Exchange of India Limited wef June 16, 2016\*. Subsequently, the Target Company made an application to BSE for listing of its Equity Shares and BSE issued its In - Principle Approval for the same on December 07, 2018. Equity Shares of the Target Company have been listed on BSE and were admitted for trading wef January 31, 2019. \*(Source – NSE Circular no. NSE/CML/32585 dated June 16, 2016)
12. The Equity Shares of Target Company are currently listed only on BSE since January 31, 2019, and having Scrip Code 542332. The ISIN of Equity Shares of Target Company is INE302R01016. (Source: [www.bseindia.com](http://www.bseindia.com)).
13. There are no Equity Shares that are not listed on the Stock Exchange as on the date of this Letter of Offer. (Source: [www.bseindia.com](http://www.bseindia.com))
14. Target Company confirms that it is in compliance with various clauses of SEBI LODR Regulations.
15. As on the date of this Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

<b>Sr. No.</b>	<b>Name, Age and Address</b>	<b>Designation</b>	<b>DIN</b>	<b>Date of Appointment</b>
1.	Suresh Tarachand Jain  Age: 61 years  Address: 402 Bhima Sir Pochkhanwala Road, Worli, Mumbai – 400030, Maharashtra, India	Managing Director	01142300	18/10/1994
2.	Vimal Shantilal Patangia  Age: 62 years  Address: A 403, Goregaon Link Palace Chs Ltd, Sai Baba Complex, Goregaon East, Mumbai - 400063, Maharashtra, India	Independent Non-Executive Director	00166331	02/11/2012
3.	Anupama Nathalal Shah  Age: 68 years  Address: 157/10, Dhiraj Dham Jain Soc, Sion West, Mumbai – 400022, Maharashtra, India	Independent Non-Executive Director	07225051	30/03/2015
4.	Prakash Shree Gupta  Age: 45 years	Independent Non-Executive Director	07225056	30/03/2015

<b>Sr. No.</b>	<b>Name, Age and Address</b>	<b>Designation</b>	<b>DIN</b>	<b>Date of Appointment</b>
	Address: Room No 2, Shree Saikrupa Social, Welfare Soc, Singh Estate Road No 5, Samata Nagar, Kandivali East, Mumbai – 400101, Maharashtra, India			
5	Pravin Prakash Rane  Age: 31 years  Address: Room No 3, New Hanuman Nagar, Near Motilal, M G Road, Goregaon West, Mumbai – 400062, Maharashtra, India	Independent Non-Executive Director	07225060	30/03/2015

16. No merger / demerger / spin off have taken place in the Target Company during the last three years.
17. None of the directors of the Target Company represent the Acquirers as on the date of this Letter of Offer.
18. Earlier in the year FY 2016-17, there was an open offer filed by other Acquirer for the Target Company with SEBI, but the same was withdrawn as per the directions of the SEBI, as the Target Company was not a listed entity and was shifted to dissemination board of the NSE from Ahmedabad Stock Exchange (ASE).
19. The Equity Shares of the Target Company were listed on ASE and PSE wef May 14, 1997. Upon exit of ASE and PSE as stock exchanges, Equity Shares of the Target Company were shifted to the dissemination board of National Stock Exchange of India Limited wef June 16, 2016\*. Further, the Equity Shares of the Target Company were listed and admitted for trading on BSE only wef January 31, 2019. Accordingly, compliance with Chapter V of the Takeover Regulations for the financial years 2017 and 2018 was not applicable to the Sellers. The Sellers have complied with Chapter V for the financial years 2012-16 and 2019. Further In the financial year 2016-17, there was an inter-se transfer of 4,51,100 shares constituting 8.96% of the then paid up capital of the Target Company between the Promoter and Promoter Group of the Target Company which required compliance with regulation 10 of the Takeover Regulations. The Promoter and Promoter Group of the Target Company have represented to the Manager to the Offer that since the process of shifting the Target Company to the dissemination board of NSE was in advance stage, compliance with aforesaid regulation was not required to be done.
- \*(Source – NSE Circular no. NSE/CML/32585 dated June 16, 2016)
20. Brief financial details of the Target Company, as obtained from its audited standalone financial statements as at and for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018:

**(Rs. in lacs, except Earnings Per Share)**

<b>Profit &amp; Loss Statement</b>	<b>For the year ended March 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Income from operations	14.42	92.30	17.01
Other Income	0.00	0.00	0.01
<b>Total Income</b>	<b>14.42</b>	<b>92.30</b>	<b>17.03</b>
Total Expenditure (excluding Depreciation & Interest)	12.29	113.71	11.15
Profit Before Depreciation Interest and Tax	2.14	(21.41)	5.90
Depreciation	0.01	0.03	0.08
Interest	0.00	0.00	0.00
Profit Before Tax	2.12	(21.44)	5.80
Tax Expense	0.53	1.37	2.69
<b>Profit After Tax</b>	<b>1.59</b>	<b>(22.81)</b>	<b>3.12</b>
<b>Balance Sheet Statement</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Source of Funds</b>			
Paid up share capital	310.62	310.62	310.62
Forfeited share capital	75.68	75.68	75.68

Reserves and Surplus	114.22	112.63	135.44
<b>Networth</b>	<b>500.52</b>	<b>498.93</b>	<b>521.74</b>
<b>Non-Current Liabilities</b>			
Secured Loan	0.00	0.00	0.00
Unsecured Loan	0.00	0.00	0.00
Long Term Provision	0.00	0.00	0.00
<b>Current Liabilities</b>			
Trade Payables	1.08	1.96	6.19
Short-term borrowings	0.00	0.00	0.00
Short-term provisions	0.00	0.00	0.00
Other Current Liabilities	0.00	0.00	0.00
<b>Total</b>	<b>501.60</b>	<b>500.89</b>	<b>527.93</b>
<b>Use of Funds</b>			
Net fixed assets	0.01	0.03	0.06
Non-current investments	0.10	0.10	34.40
Long Term Loans & Advances	0.00	0.00	0.00
Other Assets	0.00	0.00	0.10
Deferred Tax Asset	0.00	0.00	0.00
<b>Current Assets</b>			
Inventories	50.71	50.71	125.44
Trade Receivables	119.22	119.22	4.81
Cash and Bank Balances	1.64	56.12	56.44
Short Term Loans and Advances	295.51	240.32	306.67
Other current assets	34.40	34.40	0.00
<b>Total</b>	<b>501.60</b>	<b>500.89</b>	<b>527.93</b>
<b>Other Financial Data</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Dividend (%)	0.00	0.00	0.00
Earnings Per Share (Rs.)	0.05	(0.73)	0.10
*Return on Net worth (%)	0.32	(4.57)	0.60
Book Value per share (Rs.)	16.11	16.06	16.80

(\*On the basis of Opening Networth)

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

Shareholders' Category	Shareholding & voting rights prior to the acquisition (SPA) and Open Offer		Equity Shares/voting rights agreed to be acquired which has triggered the Regulations		Equity Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the SPA and Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.*	%*
<b>(1) Promoter/ promoter group</b>								
<b>a. Parties to agreement</b>	-	-	-	-	-	-	-	-
1) Mr. Pravin K Chopda	5,51,100	17.74	-	-	-	-	-	-
2) M/s S T Jain HUF	2,21,300	7.12	-	-	-	-	-	-
3) Mr. Vimal Patanga	20,000	0.64	-	-	-	-	-	-

Shareholders' Category	Shareholding & voting rights prior to the acquisition (SPA) and Open Offer		Equity Shares/voting rights agreed to be acquired which has triggered the Regulations		Equity Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the SPA and Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.*	%*
4) Mr. Suresh T Jain	25,100	0.82	-	-	-	-	-	-
<b>b. Promoters other than (a) above</b>	-	-	-	-	-	-	-	-
<b>Total (1)</b>	<b>8,17,500</b>	<b>26.32</b>	-	-	-	-	-	-
<b>(2) Acquirers</b>								
Acquirers	70,000	2.25	8,17,500	26.32	8,07,612	26.00	16,95,112	54.57
<b>Immediate Relatives of Acquirers (Note# 2)</b>								
Shiksha Jain	30,000	0.97					30,000	0.97
Sejal Jain	20,000	0.64					20,000	0.64
Renu Jain	20,000	0.64					20,000	0.64
Dinesh Gangwal	25,000	0.80					25,000	0.80
<b>Total (2)</b>	<b>1,65,000</b>	<b>5.31</b>	<b>8,17,500</b>	<b>26.32</b>	<b>8,07,612</b>	<b>26.00</b>	<b>17,90,112</b>	<b>57.63</b>
(3) Parties to Agreements other than (1) & (2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirers)	21,23,700	68.37	-	-	-	-	13,16,088	42.37
<b>Total (4)</b>	<b>21,23,700</b>	<b>68.37</b>	-	-	-	-	<b>13,16,088</b>	<b>42.37</b>
<b>Grand Total (1+2+3+4)</b>	<b>31,06,200</b>	<b>100.00</b>	<b>8,17,500</b>	<b>26.32</b>	<b>8,07,612</b>	<b>26.00</b>	<b>31,06,200</b>	<b>100.00</b>

(\*) Assuming full acceptance under the Offer.

Note 1: The Acquirers shall be classified after the completion of the Open Offer formalities/consummation of the SPA as the promoters of the Target Company subject to the approval of the shareholders of the Company in accordance with the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Note 2: Post completion of Offer, the Acquirers shall, subject to shareholders approval, obtain management control of the Company and shall be the new promoters of the Company. Accordingly, Ms. Shiksha Jain, Ms. Sejal Jain, Ms. Renu Jain and Mr. Dinesh Gangwal shall fall under the definition of promoter group of SEBI (ICDR) Regulations, 2009 and their shareholding shall be disclosed under the category of promoter group accordingly.

## 22. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A) JUSTIFICATION FOR THE OFFER PRICE

- As on the date of this Letter of Offer, the Equity Shares of the Target Company are listed on BSE only.
- The annualized trading turnover in the equity shares of the Target Company on BSE based on trading volume during the twelve calendar months prior to the month of PA (October 01, 2018 to September 30, 2019) is as given below:

Stock Exchange	Total no. of equity shares traded during the twelve calendar months prior to the month of PA	Total no. of listed equity shares	Annualized trading turnover (as % of shares listed)
BSE	50	31,06,200	Negligible

(Source: www.bseindia.com)

3. Based on the information provided in point above, the Equity Shares of the Target Company are **infrequently traded** on the BSE in terms of the Takeover Regulations, 2011.
4. The Offer Price of Rs. **17.80/-** (Rupees Seventeen and Eighty Paise only) is justified in terms of regulation 8 of the Takeover Regulations, **being the highest of the following:**

a)	Highest negotiated price per share for acquisition under the agreement attracting the obligations to make a public announcement for the offer;	Rs. 6/-
b)	The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirers or by any person(s) acting in concert, during the fifty two weeks immediately preceding the date of public announcement;	Not Applicable
c)	The highest price paid or payable for any acquisition, whether by the Acquirers or by any person(s) acting in concert, during the twenty six weeks immediately preceding the date of the Public Announcement	Not Applicable
d)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period.	Not Applicable
e)	Where the shares are not frequently traded, the price determined by the Acquirers and the Manager to the Open Offer taking into account valuation parameters per Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	#Rs. 16.06
<b>Other Financial Parameters as at March 31, 2019</b>		
<b>Return on Networth (%)</b>		(4.57)
<b>Book Value per share (₹)</b>		16.06
<b>Earnings per share (Diluted) (₹)</b>		(0.73)

*#Mr. Sanjay Jhajharia, Registered Valuer (Registration No. IBBI/RV/06/2019/11595) having office at 405, Bentinck Chambers, 4th Floor, 37A, Bentinck Street, Kolkata – 700 069, India; Email id: s.jhajharia@hotmail.com, vide certificate dated August 31, 2019, has certified that he has in terms of Supreme Court decision in the case of Hindustan Lever Employee Union V/s. Hindustan Lever Limited (1995) (83 Companies Cases 30), considered the Net Assets Value (“NAV”) for the purpose of arriving at the fair value for the Equity Shares of the Target Company. As per the certification given, the Fair Value has been arrived at Rs. 16.06/- per Equity Share.*

5. The Offer price has been calculated after taking into consideration of interest calculation thereon @ 10% P.A., the details of which is mentioned below:

<i>Date of Payment as schedule</i>	<i>New Date of Payment (Current)</i>	<i>No. of days</i>	<i>Offer Price per equity share (A)</i>	<i>Fair value of HKTIL as on date of PA</i>	<i>Price as per regulation 8(2) of SEBI (SAST) Regulations</i>	<i>Interest @ 10% per annum (B)</i>	<i>Total (Rs.) (A)+(B)</i>
22 January 2020	27 January 2021	371	16.10	16.06	16.10	1.64	17.74 Rounded off to 17.80

6. In view of the above parameters considered and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of **Rs. 17.80/-** per Equity Share is justified in terms of regulation 8 of the Takeover Regulations.
7. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
8. There has been no revision in the Offer Price or to the size of this Offer as on the date of this Letter of Offer.
9. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last one working day before the

commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the Takeover Regulations. In the event of such revision, the Acquirers shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph V of the DPS; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.

#### **B) FINANCIAL ARRANGEMENTS**

1. Assuming full acceptance in the Offer, the total funds required to meet this Offer is Rs. **1,43,75,494** (Rupees One Crore Forty Three Lacs Seventy Five Thousand Four Hundred Ninety Four only).
2. The Networth of Acquirer 1 as on September 16, 2019 is Rs. 156.14 Lacs (Rupees One Crore Fifty Six Lac and Fourteen Thousand only) and the same is certified by Mr. Arun Kumar Jain, Proprietor of Arun Jain & Associates, Chartered Accountant (Membership No. 053693; FRN No. 325867E having office at 2B, Grant Lane, 2nd Floor, Kolkata – 700 012; Email id: caarunkolkata@gmail.com, vide certificate dated September 20, 2019, bearing Unique Document Identification Number (UDIN) 19053693AAAABY5245.
3. The Networth of Acquirer 2 as on September 13, 2019 is Rs. 146.13 Lacs (Rupees One Crore Forty Six Lac and Thirteen Thou-sand only) and the same is certified by Mr. Arun Kumar Jain, Proprietor of Arun Jain & Associates, Chartered Accountant (Member-ship No. 053693; FRN No. 325867E having office at 2B, Grant Lane, 2nd Floor, Kolkata – 700 012; Email id: caarunkolka-ta@gmail.com, vide certificate dated September 20, 2019, bearing Unique Document Identification Number (UDIN) 19053693AAAABX3474.
4. Acquirers have adequate resources to meet the financial obligations of the Offer. No funds are borrowed from banks or financial institution for the purpose of this Offer by the Acquirers. Mr. Arun Kumar Jain, Proprietor of Arun Jain & Associates, Chartered Accountant (*Membership No.* 053693; FRN No. 325867E having office at 2B, Grant Lane, 2<sup>nd</sup> Floor, Kolkata – 700 012; Email id: caarunkolkata@gmail.com, vide certificate dated September 20, 2019, has confirmed that sufficient resources are available with the Acquirers for fulfilling the obligations under this ‘Offer’ in full.
5. In accordance with Regulation 17(1) of the Takeover Regulations, the Acquirers have opened an escrow account (“**Escrow Cash Account**”) in the name and style of “**HI - KCLASS OPEN OFFER - ESCROW ACCOUNT**” with ICICI Bank Limited (“**Escrow Bank**”), a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 acting through its branch situated at Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 and have made a cash deposit of Rs. **5,06,000** (Rupees Five Lacs and Six Thousand only) (“**Escrow Deposit Amount**”) being **more than 1%** of the Maximum Consideration payable under the Offer. Escrow Bank vide email dated December 15, 2020 has confirmed the credit of Escrow Deposit Amount. Further, the Acquirers have also furnished a Bank Guarantee dated September 21, 2019, amended on December 15, 2020, (“**Bank Guarantee**”) of an amount of Rs. **1,43,72,528** (Rupees One Crore Forty Three Lacs Seventy Two Thousand Five Hundred Twenty Eight only) (“**Bank Guarantee Amount**”) issued by the Escrow Bank in favor of the Manger to the Offer. Bank Guarantee is valid upto **March 14, 2021**. Escrow Deposit Amount and Bank Guarantee Amount, collectively constitute **more than 100%** of the Maximum Consideration payable by the Acquirers under the Offer. The Acquirers have empowered the Manager to the Offer to operate and to realize the value of the Escrow Cash Account and Bank Guarantee in terms of the Takeover Regulations.
6. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirers, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.
7. The funds required in relation to the Offer have been met from funds from the own funds of the Acquirers.
8. Based on the above, Saffron Capital Advisors Private Limited, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to implement the offer in full accordance with the Takeover Regulations.

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

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1. The Tendering Period will commence on Wednesday, December 30, 2020 and will close on Tuesday, January 12, 2021.
2. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
4. The Identified date for this Offer is Tuesday, December 15, 2020.
5. Target Company has signed agreements with Depositories for offering Shares in dematerialized form. The ISIN Number is INE302R01016. (Source: [www.bseindia.com](http://www.bseindia.com))
6. The Marketable lot for the Shares of the Target Company for the purpose of this Offer shall be 1. (Source: [www.bseindia.com](http://www.bseindia.com)).
7. Except 8,17,500 Equity Shares of the present promoters and promoter group members, none of the Equity Shares are subject to lock-in.
8. In terms of Regulation 18(9) of the Takeover Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

### **A) ELIGIBILITY FOR ACCEPTING THE OFFER**

1. The Letter of Offer shall be mailed to all Public Shareholders/Beneficial Owners holding Equity Shares in dematerialized form whose names appear in register of Target Company as on Tuesday, December 15, 2020, the Identified Date.
2. The Public Shareholders who have registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through electronic means. If Public Shareholders who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Registrar to the Offer at the address or email id mentioned on the cover page of the Letter of Offer by stating such Public Shareholder's name, address, number of Equity Shares held on Identified Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Public Shareholder. The Public Shareholders who have not registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.
3. All Public Shareholders holding the shares in dematerialized form are eligible to participate in this Open Offer at any time during the period from Offer Opening Date till the Offer Closing Date ("**Tendering Period**") for this Open Offer. Further, in accordance with the Frequently Asked Questions issued by SEBI, "FAQs - Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting" dated February 20, 2020, SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, shareholders holding securities in physical form are allowed to tender shares in open offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance will also be available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, or the Form of Acceptance from the SEBI's website.
4. The PA, the DPS, the Letter of Offer will also be available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Public Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer from the SEBI's website for applying in the Offer.
5. The acceptance of this Offer by the Public Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
6. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s)/Beneficial owner(s) of Target Company.

7. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
8. The Acquirers reserve the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 1 (one) Working Day prior to the commencement of the Tendering Period, i.e., up to Tuesday, December 29, 2020, in accordance with the Takeover Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirers would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Letter of Offer.

#### **B) STATUTORY AND OTHER APPROVALS**

1. To the best of the knowledge of the Acquirers, there are no regulatory or statutory approvals required other than the prior approval from the Reserve Bank of India (“RBI”) in accordance with Notification No. DBNR(PD)CC.No.065.03.10.001/2015-16 issued by RBI dated July 09, 2015 (“RBI Circular”) as amended from time to time, for change in management and transfer of management control of Non-Banking Finance Company. Target Company being a NBFC registered with RBI, the aforesaid RBI Circular is applicable and binding. The Target Company / Acquirers are in process of making application with Reserve Bank of India, Mumbai branch for the change in management and transfer of management control of the Target Company. **The Target Company has received approval from RBI vide letter DoS.CO.RSG No. 109/13.08.006/2020-21 dated December 11, 2020 which is valid for a period of six months.**

Except aforesaid, to the best of the knowledge of the Acquirers, there are no other statutory approvals required by the Acquirers to complete this Offer. However, in case of any such statutory approvals are required by the Acquirers at a later date before the expiry of the Tendering Period, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such statutory approvals.

2. If any of the Public Shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIIs) require any approvals inter-alia from RBI, the Foreign Investment Promotion Board or any regulatory body for the transfer any Equity Shares to the Acquirers, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirers reserves the right to reject the Equity Shares tendered by such Public Shareholders that are not resident in India. Subject to the receipt of statutory and other approvals, if any, the Acquirers shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the Tendering Period to those equity shareholders who have validly tendered Equity Shares in the Offer and are accepted for acquisition by the Acquirers.
3. The Acquirers shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
4. In terms of Regulation 18(11) of the Takeover Regulations, the Acquirers shall be responsible to pursue all statutory approvals required by the Acquirers in order to complete the Open Offer without any default, neglect or delay. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the Takeover Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the Takeover Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
5. In terms of Regulation 23(1) of the Takeover Regulations, if the approvals mentioned in paragraph VII are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirers have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, BSE and the registered office of the Target Company.



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

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1. All Public Shareholders holding the shares in dematerialized form are eligible to participate in this Open Offer at any time during the Tendering Period for this Open Offer. Please refer to section titled “*Procedure to be followed by shareholders who are holding equity shares in physical form*” below of this part, for details in relation to tendering of Offer Shares held in physical form.
2. 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.
3. The Open Offer shall be implemented by the Target Company through Stock Exchange Mechanism made available by BSE in the form of separate window (“**Acquisition Window**”) as provided under the Takeover Regulations and SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI.
4. For implementation of the Open Offer, the Acquirers have appointed Choice Equity Broking Private Limited as the Buying Broker (the “**Buying Broker**”) through whom the purchases and settlements on account of the Open Offer would be made by the Acquirers. The contact details of the Buying Broker are as follows:  
**Name:** Choice Equity Broking Private Limited  
**Address:** Shree Shakambhari Corporate Park,  
Plot No. 156-158, J B Nagar,  
Andheri (East), Mumbai-400099  
**Contact Person:** Mr. Sheetal Murarka  
**Tel.:** 022 - 67079857  
**E-mail:** sheetal.murarka@choiceindia.com; compliance@choiceindia.com
5. All the Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock broker (“**Selling Broker**”) during the normal trading hours of the secondary market during tendering period.
6. The Acquisition Window provided by BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for demat Equity Shares.
7. The cumulative quantity tendered shall be displayed on the BSE website throughout the trading session at specific intervals by BSE during Tendering Period.
8. Public Shareholders who wish to bid /offer their physical shares in the Offer are requested to send their original documents as mentioned in the Letter of Offer to the Registrar to the Offer so as to reach them within 2 days from closure of the Tendering Period. It is advisable to email scanned copies of the original documents mentioned in the Letter of Offer, first to the Registrar to the Offer then send physical copies to the Registrar to the Offer’s address as provided in the Letter of Offer.
9. In the event Seller Broker of any Public Shareholder is not registered with BSE then that Public Shareholder can approach the Buying Broker as defined in the Point # 4 above and tender the Equity Shares through the Buying Broker after submitting the details as may be required by the Buying Broker to be in compliance with the SEBI regulations.

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

In accordance with the Frequently Asked Questions issued by SEBI, “FAQs - Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting” dated February 20, 2020, SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, shareholders holding securities in physical form are allowed to tender shares in open offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The Eligible Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:

- a. Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- b. Original share certificate(s).
- c. 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.
- d. Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
- e. Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature).
- f. Self-attested copy of address proof such as valid Aadhar Card, Voter I.D., Passport.
- g. The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the 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.
- h. After placement of order, as mentioned above in Point (g), the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as “**HKL Open Offer**”. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- i. Eligible 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 Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- j. In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date.
- k. Eligible Shareholders holding Equity Shares in physical mode will be required to fill the respective Forms of Acceptance cum Acknowledgment. Eligible Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptance cum Acknowledgment along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance cum Acknowledgment.

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

1. The Eligible Shareholders who are holding Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their respective Selling Broker indicating to their Selling Broker the details of Equity Shares they intend to tender in this Offer.
2. The Eligible Shareholders intending to tender Equity Shares are required to transfer, through their respective depository participants, the Equity Shares intended to be tendered to the early pay-in account of the Indian Clearing Corporation Ltd. (“Clearing Corporation”). Such Eligible Shareholders shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular before their respective Selling Broker places the bids / orders on their behalf and the same shall be validated at the time of order entry.
3. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than 6:00 PM on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
4. Eligible Shareholders shall submit Delivery Instruction Slips (DIS) duly filled in specifying market type as “Open Offer” and execution date along with all other details to their respective depository participant / Selling Broker so that Equity Shares can be tendered in this Offer.
5. Upon placing the bid, the Selling Broker(s) shall provide transaction registration slip generated by the Designated Stock Exchange bidding system (“TRS”) to the Eligible Shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Equity Shares tendered etc.

6. The Eligible Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.
7. The Eligible Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum Acknowledgement. The Eligible Shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.

#### **ACCEPTANCE OF SHARES**

1. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
2. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

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

1. 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 LOF, may also participate in this Offer.
2. A Public Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender Equity Shares in the Open Offer as per the procedure mentioned in this LOF.
3. The Letter of Offer will be dispatched to all the Shareholders whose names appear on the register of members of the Target Company as on the Identified Date. In case of non-receipt of the Letter of Offer, such Shareholders of the Target Company may download the same from the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) or BSE ([www.bseindia.com](http://www.bseindia.com)) or the Manager to the Offer ([www.saffronadvisor.com](http://www.saffronadvisor.com)) 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.

#### **SETTLEMENT PROCESS**

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 Clearing Corporation.
2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
3. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.
4. For Equity Shares accepted under the Offer, the Eligible Shareholders will receive funds payout directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, in the event that the pay-outs are rejected by the Eligible Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Eligible Shareholders. The Eligible Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.

5. The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
6. The direct credit of Equity Shares shall be given to the demat accounts of the Acquirers indicated by the Acquirers' Buying Broker, through the pool account. For the same, the existing facility of client direct payout in the capital market segment shall be available.
7. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the Buying Broker's pool account.
8. In case of partial or non-acceptance of orders the balance demat Equity Shares will be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares will be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
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 Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
10. If Public Shareholders' bank account details are not available or if the fund transfer instruction is rejected by the RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Eligible Shareholder.
11. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned back to the Eligible Shareholder(s) directly by Registrar to the Offer
12. The direct credit of Equity Shares will be given to the demat account of Acquirers as indicated by the Buying Broker.
13. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirers.
14. Public 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 Public Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Public 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 accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

#### **SETTLEMENT OF FUNDS / PAYMENT CONSIDERATION**

- On the Offer Closing Date, reconciliation for acceptances shall be conducted by the Registrar to the Offer in consultation with the Manager to the Offer and the final list shall be provided to the BSE to facilitate settlement on the basis of the Equity Shares transferred to the Clearing Corporation.
- The settlement of fund obligation for demat shares shall be effected by Clearing Corporation. For the Equity Shares accepted under the Open Offer, the payment will be made by the Clearing Corporation to the shareholders directly to their bank account.
- The Acquirers will pay the consideration to the Buying Broker on or before the pay-in date for settlement, who in turn will make the funds pay-in in the settlement account of Clearing Corporation, as per the settlement schedule announced by Clearing Corporation.
- The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Public Shareholder will receive funds payout in their settlement bank account.
- The funds received from Buyer Broker by the Clearing Corporation will be released directly, to Public Shareholder.

- The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Open Offer.
- Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.
- In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the Takeover Regulations.

## NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW. THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS AND THE DOUBLE TAXATION AVOIDANCE AGREEMENTS (“DTAA”) WITH RESPECTIVE COUNTRIES. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRERS AND MANAGER TO OFFER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS SUMMARY. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS SUMMARY OF INCOME TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF EQUITY SHARES IN THE OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA AS SET OUT ABOVE AND THE SAME SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

a. The basis of charge of Indian income-tax depends upon the residential status of the person subject to tax (“Taxpayer”) during a Financial Year and the taxpayer has to pay their taxes in the following year (Assessment Year). The Financial Year for Indian Residents starts from April 01 and ends on March 31. A person who is a resident in terms of Indian Income Tax Act, 1961, (“IT Act”) he is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act itself. A person who is treated as a non-resident for the purpose of Indian income-tax purposes is generally subject to tax in India only on such person’s India sourced income (i.e. income which accrues or arises or deemed to be accrued or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the “Situs” of such shares. “Situs” of the shares is generally where a company is “incorporated”.

b. Accordingly, since the Target Company is incorporated in India, the Target Company’s shares should be deemed to be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under IT Act.

c. A Taxpayer who is non-resident for tax purpose under Indian IT Act can avail benefits of the Double Taxation Avoidance Agreement (“DTAA”), between India and the respective country of which the Taxpayer is a resident for tax purpose subject to satisfying relevant conditions including: a. those set out in limitation of benefits provisions present in the said DTAA (if any), b. the non-applicability of General Anti-Avoidance Rules, and c. providing and maintaining necessary information and documents as prescribed under the Income-tax Act.

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

e. As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge and health and education cess are also leviable. The applicable rate of surcharge is dependent on the category of the shareholder and for individual shareholders, income slab rates is applicable. The health and education cess is levied at the rate of 4% of the income tax and surcharge.

f. Gains arising from the transfer of equity shares may be treated either as “Capital Gains” or as “Business Income” for income-tax purposes, depending upon whether such equity shares were held as a capital asset or business asset (i.e. stock-in-trade).

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

h. Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the financial year. The summary of income tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.

#### **Taxability of Capital Gain in the hands of the Public Shareholders:**

i. The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to Securities Transaction Tax (“STT”) upon both buy and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the Capital Gains tax would be computed on gains exceeding ₹ 1,00,000 (Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any Capital Gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long term capital asset acquired on or before \*January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on 35 transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

*\* Shareholders may please note that the Target Company was incorporated on June 18, 2018 and listed on Stock Exchanges on July 14, 2020.*

ii. As per section 111A of the IT Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).

iii. Any applicable surcharge and education cess would be in addition to above applicable tax rates.

iv. In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirers shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer.

v. In case of non-resident Public Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealers/ tax advisors appropriately.

**THE TAX IMPLICATIONS ARE BASED ON PROVISIONS OF THE IT ACT AS APPLICABLE AS ON DATE OF THIS LETTER OF OFFER. IN CASE OF ANY AMENDMENT MADE EFFECTIVE PRIOR TO THE DATE OF CLOSURE OF THIS OFFER, THEN THE PROVISIONS OF THE IT ACT AS AMENDED WOULD APPLY. NOTWITHSTANDING THE DETAILS GIVEN ABOVE, ALL PAYMENTS WILL BE MADE TO THE PUBLIC SHAREHOLDERS SUBJECT TO COMPLIANCE WITH PREVAILING TAX LAWS. THE FINAL TAX LIABILITY OF THE PUBLIC SHAREHOLDER SHALL REMAIN OF SUCH PUBLIC SHAREHOLDER AND THE SAID PUBLIC SHAREHOLDER WILL APPROPRIATELY DISCLOSE THE AMOUNTS RECEIVED BY IT, PURSUANT TO THIS OFFER, BEFORE THE INDIAN INCOME TAX AUTHORITIES.**

## **IX. DOCUMENTS FOR INSPECTION**

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Copies of the following documents will be available for inspection to the Public Shareholders at the office of the Manager to the Offer at Centre Point, 605, 6<sup>th</sup> floor, J.B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai- 400 059 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- Certificate of Incorporation, Memorandum and Articles of Association of Hi-Klass Investment and Trading Limited;
- Certificate dated September 20, 2019 issued by Mr. Arun Kumar Jain, Proprietor of Arun Jain & Associates, Chartered Accountant (Membership No. 053693; FRN No. 325867E), certifying the net worth of the Acquirers;
- Certificate dated September 20, 2019 issued by Mr. Arun Kumar Jain, Proprietor of Arun Jain & Associates, Chartered Accountant (Membership No. 053693; FRN No. 325867E), certifying that sufficient resources are available with the Acquirers for fulfilling the obligations under this 'Offer' in full;
- Annual reports of the Target Company for the financial years ending March 31, 2020, March 31, 2019, March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015;
- Bank Account Statement from ICICI Bank Limited confirming the cash deposit of ₹ 5,06,000 (Rupees Five Lacs Six Thousand Only) in the Escrow Account with a lien marked in favor of the Manager to the Offer;
- Copy of Bank Guarantee dated September 21, 2019, amended on December 15, 2020, issued by ICICI Bank Limited for ₹ 1,43,72,528 (Rupees One Crore Forty Three Lacs Seventy Two Thousand Five Hundred Twenty Eight only) in favor of the Manager to the Offer.
- Copy of Share Purchase Agreement - between the Acquirers and Sellers dated October 03, 2019.
- Copy of Escrow Agreement between the Acquirers, Manager to the Offer and Escrow Bank;
- A copy of Public Announcement dated October 03, 2019, published copy of the Detailed Public Statement dated October 11, 2019;
- Observation letter bearing reference number SEBI/HO/CFD/DCR1/OW/P/2019/32780/1 dated December 09, 2019 received from SEBI in terms of Regulation 16(4) of the Regulations.
- SEBI extension letter SEBI/HO/CFD/DCR1/OW/P/2019/34967/1 dated December 30, 2019.
- Copy of RBI prior approval letter DoS.CO.RSG No. 109/13.08.006/2020-21 dated December 11, 2020
- A copy of the recommendation made by the Committee of Independent Directors (IDC) of the Target Company.

## **X. DECLARATION BY THE ACQUIRERS**

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

<b>Sd/-</b> <b>SANJAY KUMAR JAIN (ACQUIRER 1)</b> 2/1A, Justice Dwarka Nath Road, L R Sarani, Kolkata -700020, West Bengal, India <b>Email: skjain010@yahoo.com</b>	<b>Sd/-</b> <b>SUMAN JAIN (ACQUIRER 2)</b> 2/1A, Justice Dwarka Nath Road, L R Sarani, Kolkata -700020, West Bengal, India <b>Email: sumanjain010@yahoo.com</b>
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Place: Kolkata

Date: December 18, 2020



FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

*(Please send this form along with TRS generated by broker/selling member and enclosures to Purva Sharegistry (India) Private Limited, the Registrar to the Offer, at their registered office address provided in the Letter of Offer)*

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

TENDERING PERIOD FOR THE OFFER	
OPENS ON	Wednesday, December 30, 2020
CLOSES ON	Tuesday, January 12, 2021

To,  
The Acquirers  
**C/o Purva Sharegistry (India) Private Limited**  
Unit: Hi-Klass Trading and Investment Limited - Open Offer  
Unit no. 9, Shiv Shakti Ind. Estate, J.R. Boricha Marg,  
Opp. Kasturba Hospital Lane, Lower Parel (E),  
Mumbai - 400 011, India;  
Tel. No.: +91 22-2301 2518 / 2301 6761;  
Fax No.: NA  
E-mail: [support@purvashare.com](mailto:support@purvashare.com)  
Contact Person: Deepali Dhuri

Dear Sir/Madam,

**Sub: Proposed Open Offer by the Acquirers to acquire upto 8,07,612 Equity shares of Rs. 10/- each for cash at a price of Rs. 17.80/- per equity share including interest @ 10% per annum per Equity Share for the delay in the payment beyond the Scheduled Payment Date aggregating upto Rs. 1,43,75,494 (Rupees One Crore Forty Three Lacs Seventy Five Thousand Four Hundred Ninety Four only), to the Public shareholders of Hi-Klass Trading and Investment Limited (“Target Company”) in accordance with the extant Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”) (“Open Offer”).**

I/We refer to the Letter of Offer for acquiring the Equity Shares held by me/us in the Target Company.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement, Draft Letter of Offer, Letter of Offer and the Open offer opening public announcement, and understood its contents, terms and conditions, and unconditionally accept these terms and conditions.

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

**Details of Public Shareholder:**

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

**FOR EQUITY SHARES HELD IN PHYSICAL MODE:**

I/We, confirm that our residential status under the Income Tax Act is as below (tick whichever is applicable).

- Resident
- Non-Resident

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

Sr. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		No. of Equity Shares
			From	To	
1					
2					
3					
(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)				TOTAL	

Enclosures (whichever is applicable)

- Duly attested power of attorney, if any person apart from the Public Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- Original Equity Share certificate(s)
- Valid Equity Share transfer deed(s)
- Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorized signatories
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired
- Self-attested copy of PAN card of all the transferor(s)
- Other relevant documents (please specify)

**FOR ALL PUBLIC SHAREHOLDERS:**

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

I/We confirm that the sale and transfer of the Equity shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to.

My/Our execution of this Form of Acceptance-cum-Acknowledgement shall constitute my/our warranty that the Equity Shares comprised in this application are owned by me/us and are sold and transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I/we will hold the Acquirers harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these Equity Shares.

I/We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.

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

I/We agree that the Acquirers will pay the consideration as per secondary market mechanism, only after verification of the certifications, documents and signatures, as applicable submitted along with this Form of Acceptance-cum-Acknowledgment by the Public Shareholders, and subject to the adherence of the aforementioned Instructions. I/We undertake to return to the Acquirers any Open Offer consideration that may be wrongfully received by me/us.

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

I/We confirm that I/We am/are not persons acting in concert with the Acquirers.

I/We give my/our consent to the Acquirers, to file any statutory documents, if any, on my/our behalf in relation to accepting the Offer Shares in this Open Offer.

I/We confirm that I/we am/are in compliance with the terms of the Open Offer set out in the Public Announcement, the Detailed Public Statement, Draft Letter of Offer and the Letter of Offer.

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

I/We am/are not debarred from dealing in shares or securities.

I/We confirm that there are no taxes or other claims pending against me/us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, including but not limited to Section 281 of the Income Tax Act. I/We confirm that no notice has been issued by the income tax authorities impacting the rights to transfer the shares.

I/We note and understand that the Offer Shares will be held by the Registrar to the Offer/Clearing Corporation in trust for me/us till the date the Acquirers make payment of consideration as mentioned in the Letter of Offer, or the date by which other documents are dispatched to the Public Shareholders, as the case may be.

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

I/We authorize the Acquirers to acquire all the Equity Shares so tendered by me/us or such lesser number of Equity Shares, which it/they may decide to accept, in consultation with the Manager to the Offer, and in terms of the Letter of Offer.

I/We authorize the Acquirers, and the Registrar to the Offer to return to me/us by registered post or ordinary post, unaccepted documents, if any, at my/our sole risk, without specifying the reasons thereof.

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

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

(If none of the above box is ticked, the residential status of the Public Shareholder will be considered as non-resident, for withholding tax purposes).

I/We, confirm that my/our status as a shareholder is: *(Please tick whichever is applicable)*

<input type="checkbox"/> Individual	<input type="checkbox"/> Domestic Company	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FII/FPI - Corporate	<input type="checkbox"/> FII/FPI - Others
<input type="checkbox"/> QFI	<input type="checkbox"/> FVCI	<input type="checkbox"/> Partnership /Proprietorship firm/LLP	<input type="checkbox"/> Private Equity Fund/AIF	<input type="checkbox"/> Pension/Provident Fund
<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs/PIOs - repatriable	<input type="checkbox"/> NRIs/PIOs - non-repatriable
<input type="checkbox"/> Insurance Company	<input type="checkbox"/> OCB	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Banks	<input type="checkbox"/> Association of person/Body of Individual
<input type="checkbox"/> Any others, please specify:	_____			

FOR NRIs/OCBs/FIIs, FPIs AND SUB-ACCOUNTS/OTHER NON-RESIDENT SHAREHOLDERS:

I/We, confirm that my/our investment status is: *(Please provide supporting documents and tick whichever is applicable)*

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

I/We, confirm that the Offer Shares tendered by me/us are held on: *(Please tick whichever is applicable)*

- Repatriable basis
- Non-Repatriable basis

I/We, confirm that: *(Please tick whichever is applicable)*

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

I/We, confirm that: *(Please tick whichever is applicable)*

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

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

**All future correspondence, if any, should be addressed to the respective Selling Broker, or the Registrar to the Offer at:**

**Purva Sharegistry (India) Private Limited**

Unit: Hi-Klass Trading and Investment Limited - Open Offer

Unit no. 9, Shiv Shakti Ind. Estate, J.R. Boricha Marg, Opp. Kasturba Hospital Lane,

Lower Parel (E), Mumbai - 400 011, India;

Tel. No.: +91 22-2301 2518 / 2301 6761; Fax No.: NA

E-mail: [support@purvashare.com](mailto:support@purvashare.com)

Contact Person: Deepali Dhuri

**Additional confirmations and enclosures for all Public Shareholders, as applicable:**

I/We, have enclosed the following documents: *(Please tick whichever is applicable)*

- Self-attested copy of PAN card
- Self-declaration form in Form 15G/Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any)
- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum-Acknowledgement
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories
- For Mutual funds/Banks/Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, attested copy of relevant registration or notification
- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs).
- SEBI Registration Certificate for FIIs/FPIs (mandatory to be submitted by FIIs/FPIs).
- 'Valid Tax Residency Certificate' issued by the income tax authority of a foreign country of which he/it claims to be a tax resident, in case the Public Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Public Shareholder claims to be resident and a duly filled in 'Form 10F' as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India.
- NOC/Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate/NIL rate on income from sale of shares and interest income, if any, wherever applicable
- Self-attested declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify)
- Tax certificate issued by the income tax/statutory authorities of the overseas jurisdiction where the non-resident Public Shareholder is a resident for tax purposes, indicating the quantum of Overseas Tax along with any other information as may be relevant for this transaction
- Other relevant documents (Please specify) \_\_\_\_\_

## BANK DETAILS

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

In case of interest payments, if any, by the Acquirers for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirers depending on the settlement mechanism for such interest payments.

Yours faithfully, Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed, and certified copies of the necessary Board resolutions/Corporate authorizations should be attached.

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

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

### Acknowledgement Slip – Hi-Klass Trading and Investment Limited - Open Offer

Received from Mr./Ms./M/s. \_\_\_\_\_

Address: \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement for Hi-Klass Trading and Investment Limited - Open Offer as per details below:

Copy of delivery instruction to depository participant of DP ID/Client ID/Folio No. \_\_\_\_\_ for \_\_\_\_\_ Equity Shares

Date of Receipt: \_\_\_\_\_ Place of Receipt: \_\_\_\_\_

Stamp of Selling Broker: \_\_\_\_\_ Signature of Official: \_\_\_\_\_

## INSTRUCTIONS

Capitalized terms used and not defined in these instructions will have the same meaning as provided in the Letter of Offer dated December 18, 2020.

1. **PLEASE NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT OR ANY OTHER DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRERS, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER.**
2. The Form of Acceptance-cum-Acknowledgement should be legible and should be filled-up in English only.
3. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
4. **AS PER THE PROVISIONS OF REGULATION 40(1) OF THE SEBI LODR REGULATIONS AND SEBI PR 49/2018 DATED 3 DECEMBER 2018, REQUESTS FOR TRANSFER OF SECURITIES SHALL NOT BE PROCESSED UNLESS THE SECURITIES ARE HELD IN DEMATERIALIZED FORM WITH A DEPOSITORY W.E.F. 1 APRIL 2019. HOWEVER, IN ACCORDANCE WITH THE CIRCULAR ISSUED BY SEBI BEARING REFERENCE NUMBER SEBI/HO/CFD/CMD1/CIR/P/2020/144 DATED 31 JULY 2020, SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL FORM ARE ALLOWED TO TENDER SHARES IN AN OPEN OFFER. SUCH TENDERING SHALL BE AS PER THE PROVISIONS OF THE SEBI (SAST) REGULATIONS.**
5. The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach the and submit the following set of documents for verification procedure as mentioned below:
  - a) Original share certificate(s)
  - b) Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
  - c) Self-attested copy of the Public Shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors)
  - d) This Form - for Public Shareholders holding Equity Shares in physical mode, duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
  - e) A self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license.
  - f) Any other relevant document including (but not limited to) such as power of attorney, corporate authorization (including board resolution(s)/ specimen signature(s)), notarised copy/(ies) of death certificate(s) and succession certificate(s) or probated will(s), if the original shareholder is deceased, etc., as applicable.

**Public Shareholders holding physical shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.**

6. In case of unregistered owners of Equity Shares in physical mode, the Public Shareholder should provide an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.**
7. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.
8. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/ its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgment with, or receipt by, the Target Company / its transfer agents, of the share certificate(s) and the transfer deed(s).
9. The Public Shareholder should ensure that the certificate(s) and above documents should be sent only to the Registrar to the Offer either by registered post or courier or hand delivery so as to reach the Registrar to the Offer : i.e. Purva Sharegistry (India) Private Limited within 2 (two) days of bidding by the Selling Broker i.e. last date for receipt of documents by Registrar is **Thursday, January 14, 2021** (by 5.00 p.m.(IST)), at the following address: Unit no. 9, Shiv Shakti Ind. Estate, J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai-400011, Maharashtra, India.
10. The Selling Broker should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc
11. Eligible Shareholders who desire to tender their Equity Shares in the dematerialized form under the offer would have to do so through their respective selling member by indicating the details of Equity Shares they intend to tender under the offer.

12. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement as the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
13. If the Offer Shares tendered are rejected for any reason, the Offer Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
14. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer in Section VIII (*Procedure for Acceptance and Settlement of the Offer*).
15. The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is being dispatched/sent through electronic mail to all the Public Shareholders as on the Identified Date, who have registered their email ids with the Depositories and/or the Target Company. In case of non-receipt of the Letter of Offer, the Public Shareholders of the Target Company may download the same from the respective websites of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), the Registrar to the Offer ([www.purvashare.com](http://www.purvashare.com)), the Manager to the Offer ([www.saffronadvisor.com](http://www.saffronadvisor.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Offer Shares.
16. All the Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
17. All the Public Shareholders are advised to refer to Section VIII (*Note on Taxation*) in the Letter of Offer. However, it may be noted that Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Section VIII (*Note on Taxation*), as referred to above, are indicative and for guidance purposes only.
18. All documents/remittances sent by or to Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
19. The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System.
20. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
21. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer at Section VIII (*Procedure for Acceptance and Settlement of the Offer*).
22. The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is being dispatched to all the Public Shareholders as on the Identified Date. In case of non-receipt of the Letter of Offer, such Public Shareholders may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)), or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Offer Shares. The Letter of Offer will also be available on the website of the, the Registrar to the Offer ([www.purvashare.com](http://www.purvashare.com)), the Manager to the Offer ([www.saffronadvisor.com](http://www.saffronadvisor.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).
23. The Tender Form and TRS in case of shares held in dematerialized form are not required to be submitted to the Acquirers, the Manager to the Offer or the Registrar to the Offer. Shareholders holding shares in demat mode are not required to fill the Form of Acceptance-cum-Acknowledgment unless required by their respective selling broker. Holders of Equity Shares under lock-in will be required to fill the Form of Acceptance-cum-Acknowledgment.
24. If non-resident Public Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer, and provide such other consents, documents and confirmations as may be required to enable the Acquirers to purchase the Offer Shares so tendered. In the event any such approvals are not submitted, the Acquirers reserve the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of RBI, the non-resident Public Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
25. Interest payment, if any: In case of interest payments by the Acquirers for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirers depending on the settlement mechanism for such interest payments.
26. Public Shareholders who wish to tender their Equity Shares must submit the following documents to the Registrar to the Offer.
27. For resident Public Shareholders:

- Self-attested copy of PAN card
- Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of consideration (certificate for deduction of tax at lower rate)
- Self-declaration in Form 15G/Form 15H (in duplicate), if applicable
- For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any)
- Self-attested declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify);

28. For non-resident Public Shareholders:

- Self-attested copy of PAN card
- Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirers before remitting the amount of interest
- Tax Residency Certificate and Form 10F and other information or documents as may be required to claim relief under the provisions of applicable double taxation avoidance agreement
- Self-attested declaration that it does not have a Permanent Establishment in India either under the IT Act or applicable between India and any other foreign country or specified Territory (as notified under Section 90 or Section 90A of the Income Tax Act) of which the Public Shareholder claims to be a tax resident
- Self-attested declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify)
- Tax certificate issued by the income tax/statutory authorities of the overseas jurisdiction where the non-resident Public Shareholder is a resident for tax purposes, indicating the quantum of Overseas Tax along with any other information as may be relevant for this transaction.

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

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

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



**Purva Share Registry (India) Private Limited**

Unit no. 9, Shiv Shakti Ind. Estate, J.R. Boricha Marg, Opp. Kasturba Hospital Lane,  
Lower Parel (E), Mumbai - 400 011, India;

Tel. No.: +91 22-2301 2518 / 2301 6761; Fax No.: NA

E-mail: [support@purvashare.com](mailto:support@purvashare.com)

Contact Person: Deepali Dhuri

SEBI Registration Number: INR000001112



## FORM OF TRANSFER DEED

### Form No. SH-4 - Securities Transfer Form

*(Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014)*

Date of execution: / \_\_\_\_ / \_\_\_\_

**FOR THE CONSIDERATION** stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: 

L	5	1	9	0	0	M	H	1	9	9	2	P	L	C	0	6	6	2	6	2
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Name of the company (in full): HI-KLASS TRADING AND INVESTMENT LIMITED

Name of the Stock Exchange where the company is listed, (if any): BSE Limited

#### DESCRIPTION OF SECURITIES:

Kind/Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity	₹ 10.00		
No. of Securities being Transferred		Consideration received (Rs.)	
In figures	In words	In words	In figures
<b>Distinctive Number</b>	<b>Form</b>		
	<b>To</b>		
<b>Corresponding Certificate Nos.</b>			

#### Transferors' Particulars

Registered Folio Number: \_\_\_\_\_

Name(s) in full

Signature(s)

1. _____	_____
2. _____	_____
3. _____	_____

I, hereby conform that the transferor has signed before me. Signature of the

Witness: \_\_\_\_\_

Name of the Witness: \_\_\_\_\_

Address of the Witness: \_\_\_\_\_

Pincode: \_\_\_\_\_

**Transferees' Particulars**

Name in full (1)	Father's/Mother's/Spouse Name (2)	Address & E-mail id (3)
Occupation (4)	Existing Folio No., if any (5)	Signature (6)

**Folio No. of Transferee**

\_\_\_\_\_

Value of Stamp affixed: Rs. \_\_\_\_\_

**Specimen Signature of Transferee(s)**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Enclosures:

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, \_\_\_\_\_

**STAMPS** \_\_\_\_\_

**For Office Use Only**

Checked by \_\_\_\_\_

Signature Talled by \_\_\_\_\_

Entered in the Register of Transfer on \_\_\_\_\_ vide  
Transfer no \_\_\_\_\_

Approval Date \_\_\_\_\_

Power of attorney/Probate/Death certificate/Letter of  
Administration

Registered on \_\_\_\_\_ at No  
\_\_\_\_\_

