

DRAFT LETTER OF OFFER ("DLOF")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as Public Shareholder(s) (*as defined herein below*) of **SDC Techmedia Limited [Formerly known as Onesource Techmedia Limited]** ("Target Company"). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer (*as defined herein below*) or the Registrar to the Offer (*as defined herein below*). In the event you have sold your Equity Shares in the Target Company, please hand over the Letter of Offer to the member of the stock exchange through whom the said sale was effected.

OPEN OFFER BY

Mr. Jose Charles Martin ("Acquirer")

Address:- 135/1, Thiruvalluvar Street, Vellakinar Pirivu, G.N. Mills Post, Coimbatore - 641029, Tamil Nadu, India;
Tel: +91 422 2649001, **Email:** md@mandc.in

To the Public Shareholder(s) of

SDC TECHMEDIA LIMITED ("Target Company")
(Formerly known as Onesource Techmedia Limited)

Registered Office: 33/1, Wallajah Road, Chepauk, Chennai- 600002, Tamil Nadu, India
Tel: +9144 66882222; **Email:** info@ostindia.org; **Website:** www.ostml.com.

Corporate Identification Number: L72900TN2008PLC067982

To acquire upto **16,90,000** (Sixteen Lacs Ninety Thousand Only) ("**Offer Shares**") fully paid up Equity Shares of face value of ₹ 10 each, representing **26.03%** 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 an Offer Price of ₹ **14/-** per Equity Share ("**Offer Price**").

Please Note:

1. This Offer is being made by the Acquirer pursuant to regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**Takeover Regulations**").
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of Takeover Regulations.
3. This Open Offer is not a competing offer in terms of regulation 20 of the Takeover Regulations.
4. **There has been no competing offer as on the date of this Draft Letter of Offer.**
5. The Offer is subject to receipt for approvals as more particularly set out in paragraph VII (B) of this Draft Letter of offer. To the best of the knowledge of the Acquirer, there are no statutory approvals required for the purpose of this Offer. If any statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such statutory approvals.
6. If there is any upward revision in the Offer Price or the number of Shares sought to be acquired under the Open Offer by the Acquirer, at any time prior to the commencement of the last one working day before the commencement of the tendering period i.e. upto **Tuesday, January 28, 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 Acquirer 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.



SAFFRON CAPITAL ADVISORS PRIVATE LIMITED
605, Sixth Floor, Centre Point, J. B. Nagar, Andheri (East),
Mumbai - 400 059, India
Tel. No.: +91 22 4082 0914/915
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Email id: openoffers@saffronadvisor.com
Website: www.saffronadvisor.com
Investor grievance: investorgrievance@saffronadvisor.com
SEBI Registration Number: INM000011211
Validity: Permanent
Contact Person: Amit Wagle/ Gaurav Khandelwal



PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED
Unit no. 9, Shiv Shakti Ind. Estate, J. R. Boricha Marg,
Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai - 400 011
Tel. No.: +91 22-2301 2518 / 2301 6761
Fax No.: NA
E-mail: support@purvashare.com
Website: www.purvashare.com
SEBI Registration Number: INR000001112
Validity: Permanent
Contact Person: Deepali Dhuri

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Day and Date
Public Announcement (PA)	Friday, December 06, 2019
Publication of DPS in the newspapers	Friday, December 13, 2019
Filing of the draft letter of offer with SEBI	Friday, December 20, 2019
Last date for a competitive bid	Monday, January 06, 2020
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, January 13, 2020
Identified Date*	Wednesday, January 15, 2020
Letter of Offer to be dispatched to shareholders	Wednesday, January 22, 2020
Last date for revising the Offer price/ number of shares	Tuesday, January 28, 2020
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Monday, January 27, 2020
Date of publication of Offer Opening Public Announcement	Tuesday, January 28, 2020
Date of commencement of Tendering Period (Offer Opening Date)	Wednesday, January 29, 2020
Date of Expiry of Tendering Period (Offer Closing Date)	Tuesday, February 11, 2020
Last Date for completion of all requirements including payment of consideration	Wednesday, February 26, 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 or comments from regulatory authorities.

RISK FACTORS

I. RISK FACTORS RELATING TO THE TRANSACTION

The Offer is subject to receipt of approvals as more particularly set out in paragraph VII (B) of this Draft Letter of Offer.

To the best of the knowledge and belief of the Acquirer, other than the approvals set out in paragraph VII (B) of this Draft Letter of Offer, there are no other statutory or regulatory approvals required by the Acquirer to complete this Open Offer. However, in case of any statutory or regulatory approvals being required by the Acquirer at a later date, this Open Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory or regulatory approvals, as per Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders for delay beyond 10th Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Where the statutory or regulatory approvals extend to some but not all the Public Shareholders, the Acquirer 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. Further, if delay occurs on account of willful default by the Acquirer 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.

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 Acquirer, the Open Offer would stand withdrawn. The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the Takeover Regulations in the event the requisite statutory approvals that may be necessary at a later date are refused.

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 26.03% of the Voting Share Capital of the Target Company from the Eligible Shareholders. In the case of Equity Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Eligible Shareholders in the Open Offer will be accepted.

In the event that either: (a) regulatory or statutory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer from performing his obligations hereunder, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirer 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 Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the validly tendering Shareholders.

The Equity Shares tendered in the Offer and documents will be held in the special account of the Clearing Corporation till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirer 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 Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Draft Letter of Offer / Detailed Public Statement / Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirer, or the Manager to the Offer) would be doing so at his/her/their own risk.

Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the tendering period even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.

This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

The Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

This Offer is subject to completion risks as would be applicable to similar transactions.

III. RISK RELATING TO ACQUIRER AND THE TARGET COMPANY

Acquirer makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

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

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I. KEY DEFINITIONS

Acquirer	Mr. Jose Charles Martin aged 32 years, S/o Mr. Santiago Martin, residing at 135/1, Thiruvalluvar Street, Vellakinar Pirivu, G.N. Mills Post, Coimbatore - 641029, Tamil Nadu, India
Board of Directors	Board of directors of the Target company
Book Value per equity Share	Book value per equity share of the Target Company is calculated by dividing the networth by number of equity shares issued and outstanding as on 31.03.2019
BSE	BSE Limited
Buying Broker	Stock broker appointed by Acquirer 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
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act	The Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time.
Depositories	CDSL and NSDL
Detailed Public Statement/ DPS	Detailed Public Statement dated December 10, 2019, issued by the Manager to the Offer, on behalf of the Acquirer, in relation to the Offer and published in all editions of Financial Express (English), Jansatta (Hindi), Mumbai Lakshadeep (Marathi) and Makkal Kural (Registered Office) on December 11, 2019 in accordance with the Regulations 3(2) read with Regulations 13(4), 14 and 15(2) and other applicable regulations of the Takeover Regulations.
DIN	Director Identification Number
Draft Letter of Offer	This Draft Letter of Offer filed with SEBI in accordance with Regulation 16(1) of the SEBI (SAST) Regulations.
DP	Depository participant
DTAA	Double Taxation Avoidance Agreement
Eligible Persons to participate in the Offer / Public Shareholders	All Equity Shareholder's (registered or unregistered) of the Target Company excluding (i) the Acquirer; (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
EPS	Earnings Per Share calculated as Profit after Tax divided by Number of Equity Shares issued as on 31.03.2019
Equity Share(s)/ Share(s)	The fully paid up equity share(s) of the Target Company having a face value of ₹ 10 (Rupees ten) per equity share
Equity Share Capital / Voting Share Capital	The Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 649.25 Lacs comprising of 64,92,500 Equity Shares of ₹ 10 each.
Erstwhile Promoter	Anurodh Merchandise Private Limited having its registered office at 9, Weston Street, 3 rd Floor, Unit No 318, Kolkata - 700 013. (M/s. S K B Finance Limited (Transferor Company) merged with M/s. Anurodh Merchandise Private Limited (Transferee company) vide Amalgamation Order dated 19 th May, 2016 issued by Hon'ble High Court, Calcutta on 28 th June, 2016. The Effective date of the Order is 01 st July, 2016.)

Escrow Agreement	Escrow Agreement entered between the Acquirer, Escrow Agent and Manager to the Offer
Escrow Bank / Escrow Agent	HDFC Bank Limited
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors
FIPB	Foreign Investment Promotion Board
Fiscal	The financial year from April 1 to March 31.
FY	Financial Year
Identified Date	Wednesday, January 15, 2020, i.e., the date falling on the 10 th (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
KYC	Know Your Client
Letter of Offer/ LOF	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer
LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Manager to the Offer	Saffron Capital Advisors Private Limited
MOU	Memorandum of Understanding
NECS	National Electronic Clearing System
NEFT	National Electronic Funds Transfer
NRI	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/Open Offer	The Offer being made by the Acquirer for acquiring upto 16,90,000 (Sixteen Lacs Ninety Thousand Only) Equity Shares representing 26.03% of the Voting Share Capital, from the Public Shareholders at the Offer Price payable in cash
Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 2,36,60,000 (Rupees Two Crores Thirty Six Lacs Sixty Thousand Only)
Offer Period	Period commencing from Friday, December 06, 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.
Offer Price	₹ 14/- (Rupees Fourteen Only) per Equity Share
Offer Size	Up to 16,90,000 (Sixteen Lacs Ninety Thousand Only) Equity Shares representing 26.03% of the Voting Share Capital
PAN	Permanent Account Number
PAT	Profit After Tax
Public Announcement/PA	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirer on Friday, December 06, 2019 in accordance with Takeover Regulations
RBI	Reserve Bank of India

Registrar to the Offer	Purva Share Registry (India) Private Limited
Sale Shares	3,30,000 fully paid up Equity Shares, representing 5.03% of the Voting Share Capital, proposed to be acquired by the Acquirer from the Seller (<i>as defined herein below</i>) pursuant to the SPA (<i>as defined herein below</i>)
SCRR	Securities Contract (Regulations) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	SEBI Act, 1992, as amended
Seller	<i>Mr. Usman Faheed, who is also one of the Promoters of the Target Company</i>
Selling Member / Broker	Respective stock brokers of all Shareholders who desire to tender their Equity Shares under the Open Offer
SPA / Share Purchase Agreement	Share purchase agreement dated December 06, 2019 entered into between the Acquirer and the Seller ("SPA")
Stock Exchange	BSE Limited
Target Company	SDC Techmedia Limited (Formerly known as Onesource Techmedia Limited) having its registered office at 33/1, Wallajah Road, Chepauk, Chennai- 600002, Tamil Nadu, India
Tendering Period	Wednesday, January 29, 2020 to Tuesday, February 11, 2020
TRS	Transaction Registration Slip
Voting Share Capital	The Issued, Subscribed and Paid Up Equity Share Capital of the Target Company is 649.25 Lacs comprising of 64,92,500 Equity Shares of face value ₹ 10 each
Working Day	Working days of SEBI

Note: All terms beginning with a capital letter used in this Draft 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 THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SDC TECHMEDIA LIMITED (FORMERLY KNOWN AS ONESOURCE TECHMEDIA LIMITED) TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER 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 DECEMBER 17, 2019 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

III. DETAILS OF THE OFFER

A) Background of the Offer

1. This mandatory offer (the "Offer" or "Open Offer") is being made by the Acquirer in compliance with Regulation 3(2) of and other applicable provisions of the Takeover Regulations, to acquire up to **16,90,000** (Sixteen Lacs Ninety Thousand Only) Equity Shares of face value ₹ 10/- (Rupees Ten only) each, representing **26.03%** of the total Voting Share Capital of the Target Company from the Public Shareholders. This Open Offer is being made to increase and consolidate the Acquirer's holding in the Target Company.
2. On December 06, 2019, the Acquirer entered into Share Purchase Agreement ("**SPA**") with the Seller for acquisition of up to **3,30,000** Equity Shares ("**Sale Shares**") representing **5.08%** of the Total Voting Share Capital at a price of ₹ **14/-** (Rupees Fourteen Only) per Sale Share payable in cash aggregating upto ₹ **46,20,000** (Rupees Forty Six Lacs Twenty Thousand only) ("**Transaction**"). Since the proposed Transaction exceeds the limits stipulated in regulation 3(2) of the Takeover Regulations and doesn't fulfill the eligibility criteria for claiming exemption under regulation 10 (1) (a) (ii) of the Takeover Regulations, the Acquirer is required to make this Offer.
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 Acquirer intends to buy from the Seller and the Seller intend to sell to the Acquirer upto **3,30,000** (Three Lacs Thirty Thousand Only) fully paid-up Equity Shares constituting 5.08% of the total Voting Share Capital of the Target Company for an aggregate sale consideration of **46,20,000** (Forty Six Lacs Twenty Thousand only) ("**SPA Consideration**") through an off market transaction;
 - b) The Seller confirms that the Sale Shares are fully paid up and the said shares are free from all lien, charges, encumbrances and the Seller shall hand over the said confirmation letter to the Acquirer along with the letter received from the Target Company;
 - c) From the date of entering into the SPA till the date of the Closure, the Seller shall not, except with the prior consent of the Acquirer, 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;
 - d) The Acquirer shall be at liberty to reconstitute the Board of the Target Company after successful completion of Takeover.
 - e) The Acquirer has represented and the Seller believes that the Acquirer has adequate financial resources to acquire shares from the Seller.
 - 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 objective of the proposed acquisition is to increase and consolidate the Acquirer's holding in the Target Company.
5. The Offer Price is payable in cash, in accordance with Regulation 9 (1) of the Takeover Regulations.
6. This Offer is not made pursuant to any indirect acquisition, arrangement or agreement and is not a conditional offer.
7. This Offer is not a result of a global acquisition, an open market purchase or a negotiated deal
8. The Acquirer confirms that he is not prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.
9. The Acquirer shall be at liberty to reconstitute the Board of the Target Company after successful completion of Takeover.

10. The Committee of Independent Directors of the Board of the Target Company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared latest by Monday, January 27, 2020.
11. The acquisition of 26.03% of the Voting Share Capital (assuming full acceptances) under the Offer will result in the public shareholding in the Target Company falling below the level required for continuous listing. To the extent the Promoters post-Offer holding in the Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, as amended (the "SCRR"), the Promoters jointly 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(2) was made on December 06, 2019 to BSE and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office.
2. The Acquirer has published the DPS on December 11, 2019, which appeared in the following newspapers:

Sl. no.	Newspapers	Language	Editions
1	Financial Express	English	All Editions
2	Jansatta	Hindi	All Editions
3	Mumbai Lakashadeep	Marathi	Mumbai
4	Makkal Kural	Tamil	Registered office of Target Company

A copy of the DPS is also available on the SEBI's website: 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 Acquirer in accordance with the terms and conditions set forth in this Draft 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. Pursuant to the Open Offer, the Acquirer proposes to acquire upto 16,90,000 Equity Shares representing 26.03% of the total paid-up voting Equity Share Capital of the Target Company, as of the tenth (10th) working day from the closure of the tendering period, at the Open Offer Price of ₹ 14/- (Rupees Fourteen only) per Equity Share, to be paid in cash, in accordance with the Takeover Regulations and subject to the terms and conditions set out in the DPS and this Draft Letter of Offer.
5. All Equity Shares validly tendered in the Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Draft 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.
6. The Acquirer has deposited 100% of the total consideration payable to the Equity Shareholders under this Offer in compliance with the Regulation 22(2) of the Takeover Regulations.
7. There are no partly paid-up Shares in the Target Company.
8. The Offer is not a competing offer in terms of Regulation 20 of the Takeover Regulations.

9. The Manager to the Offer does not hold any Equity Shares as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares of the Target Company during the Offer Period.
10. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations.
11. The Acquirer has confirmed that he has not acquired any Equity Shares of Target Company after the date of PA i.e. December 06, 2019, and up to the date of this Draft Letter of Offer.
12. In the event that the Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, the acquisition of Shares from the Eligible Shareholders will be on a proportionate basis, as detailed in paragraph VIII of this Draft Letter of Offer.
13. There are no Persons Acting in Concert with the Acquirer in the Open Offer.

IV. OBJECT OF THE ACQUISITION/ OFFER

1. At present, the Acquirer does not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirer may continue to support the existing business of the Target Company. However, in case the Acquirer intends to build a new business it shall be subject to the prior approval of the Shareholders.
2. The Acquirer 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 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 Acquirer is a part of Promoter and Promoter Group of the Target Company. Presently Acquirer holds 25,90,000 Equity Shares representing 39.98% of the Equity Share Capital of the Target Company. This Open Offer is being made to increase and consolidate his holding in the Target Company. This Offer is being made by the Acquirer in compliance with Regulation 3(2) of the SEBI (SAST) Regulations, for acquisition of additional Equity Shares of the Target Company to consolidate his shareholding and substantial control over the Management of the Target Company.

V. BACKGROUND OF THE ACQUIRER

A. Mr. Jose Charles Martin (“Acquirer”)

- (a) Jose Charles Martin aged 32 years, S/o Mr. Santiago Martin is residing at 135/1, Thiruvalluvar Street, Vellakinar Pirivu, G.N. Mills Post, Coimbatore - 641029, Tamil Nadu, India; **Tel:** +91 422 2649001; **Email:** md@mandc.in. He has completed his Bachelor of Business Administration from Middlesex University (Dubai) and also completed his Masters of Business Administration from Università Popolare Degil Studi Di Milano (Milan, Italy).
- (b) Acquirer belongs to the Promoter and Promoter Group of the Target Company and has experience in the field of property development, construction and hotel management.
- (c) Acquirer is holding a Permanent Account Number- AGUPC1416C
- (d) The details of the ventures promoted/controlled/managed by the Acquirer is given hereunder:

Sr. No.	Name of the Entities	Nature of Interest	Percentage stake/holding
1.	Future Gaming and Hotel Services Private Limited	Director & Shareholder	4.52
2.	M and C Property Development Private Limited	Managing Director & Shareholder	90.00
3.	L and C Media Private Limited	Managing Director & Shareholder	50.00
4.	Martin Agro Farm Private Limited	Director	--
5.	Coimbatore Silk & Cotton Sarees Private Limited	Director & Shareholder	50.00
6.	Charles Luxury Villas Private Limited	Director	--
7.	Martin Skyscrapers Private Limited	Director	--
8.	Martin Plaza Private Limited	Director	--
9.	Martin Shelters Private Limited	Director	--
10.	Charles Housing Private Limited	Director & Shareholder	50.00
11.	Hall Marc Techno Park Private Limited	Director & Shareholder	50.00
12.	Daison Constructions (India) Private Limited	Director & Shareholder	30.00
13.	Leemartin Beach Resorts Private Limited	Director & Shareholder	30.00
14.	Charles Real Estates Private Limited	Director	--
15.	Fascinating Houses Private Limited	Director	--
16.	Fascinating Dwellers Private Limited	Director	--
17.	Fascinating Towers Private Limited	Director	--
18.	Fascinating Skyscrapers Private Limited	Director	--
19.	Fascinating Promoters Private Limited	Director	--
20.	Dominant Promoters Private Limited	Director	--
21.	Martin Spinning Mills and Agencies Private Limited	Shareholder	0.20
22.	Charles Modular Homes Private Limited	Shareholder	50.00
23.	Martin Housing Private Limited	Shareholder	1.00
24.	Martin Landscape Private Limited	Shareholder	1.00
25.	Modern & Creative Multi Constructor Private Limited	Shareholder	75.00
26.	Martin Homes Private Limited	Shareholder	1.00

Sr. No.	Name of the Entities	Nature of Interest	Percentage stake/holding
27.	Martin Farms Private Limited	Shareholder	1.00
28.	Martin Real Estate Private Limited	Shareholder	1.00
29.	Martin Realcon Private Limited	Shareholder	30.00
30.	Martin Windfarms Private Limited	Shareholder	20.00
31.	Daisy Merchandisers Private Limited	Shareholder	1.00
32.	Teasel Marketing Private Limited	Shareholder	98.78
33.	L and C Entertainment LLP	Designated Partner	94.97
34.	Magnetic Realcon LLP	Designated Partner	49.99

(Source: www.mca.gov.in)

- (e) None of the entities mentioned under point (d) above are participating or interested or acting in concert with the Acquirer in this Open Offer.
- (f) Except as mentioned under point (d) above, Acquirer confirms that he does not hold directorships in any other company, including a listed company.
- (g) The Networth of Acquirer as on October 31, 2019 is ₹ 149.29 Crores (Rupees One Hundred Forty Nine Crore and Twenty Nine Lacs only) and the same is certified by Mr. C. L Raveendhar, Proprietor of C. L Raveendhar & Co., Chartered Accountant (*Membership No.* 026229 ; *FRN No.*011093S) having office at CLR Greenfield Centre, No. 70/4, RR Layout, RS Puram, Coimbatore- 641002; Email id: claudit@gmail.com, *vide* certificate dated November 15, 2019.
- (h) Acquirer 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.
- (i) Acquirer 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.
- (j) There is no Person Acting in Concert ("**PAC**") along with Acquirer in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the Takeover Regulations.
- (k) Acquirer has confirmed that currently there are no pending litigations pertaining to securities market where he is made party to as on the date of this Draft Letter of Offer.
- (l) Acquirer is one of the present Promoters of the Target Company, and is related to the Target Company in that manner.
- (m) Acquirer has confirmed that he is not categorized as a "willful defaulter" in terms of regulation 2(1)(ze) of the Takeover Regulations.
- (n) Acquirer holds **25,90,000** Equity Shares constituting **39.89%** of the total voting share capital of the Target Company as on the date of this Draft Letter of Offer.
- (o) In the year 2018, Acquirer made public announcement dated February 20, 2018 to acquire upto 25,97,000 Equity Shares constituting upto 40% of the then Paid up Capital of the Target Company. Subsequently the Acquirer acquired the said Equity Shares and Management Control of the Target Company *vide* post open offer report dated May 18, 2018. Pursuant to the same the Acquirer was inducted as Co-Promoter of the Target Company.
- (p) There has been a delay in compliance with respect to the applicable provisions of Chapter V, under Regulation 29(1) of the Takeover Regulations by the Acquirer of the Target Company for the event dated May 18, 2018. **SEBI may take appropriate action against Acquirer for the same.**
- (q) Acquirer has confirmed that he has not been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

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 Target Company was incorporated on May 30, 2008 under the Companies Act 1956 as "**Onesource Techmedia Limited**". Thereafter the name of the company was further changed to "**SDC Techmedia Limited**" and a fresh Certificate of Incorporation pursuant to such change in name was issued on October 23, 2019 by Registrar of Companies, Chennai. The registered office of the Target Company is situated at 33/1, Wallajah Road, Chepauk, Chennai - 600002, Tamil Nadu, India; Tel: +91 - 44 - 66882222; Email: info@ostindia.org; Website: www.ostml.com.
2. Corporate Identification Number of the Target Company is L72900TN2008PLC067982. (Source: www.mca.gov.in)
3. Target Company is engaged in the business of distribution and trading of media contents mostly audio & animated films. The Target Company has tied-up with Sony Corporation, Hong Kong ("Sony Corporation") for distributing and promoting of Sony 4K projection systems in the South India. Target Company purchases the 4K Projectors from Sony Corporation and then leases the same to the cinema theaters for a caution deposit and monthly rentals. (Source: www.otml.com)
4. The Authorized Share Capital of the Target Company is ₹ 750.00 Lacs comprising of 75 Lacs Equity Shares of face value ₹ 10 each. The Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 649.25 Lacs comprising of 64.925 Lacs Equity Shares of face value ₹ 10 each. (Source: www.mca.gov.in).
5. 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.
6. The Equity Shares of the Target Company are currently listed on SME platform of BSE Limited ("**BSE**") (Scrip Code: 535647) (Source: www.bseindia.com)
7. The Equity Shares of the Target Company are not frequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011. (Source: www.bseindia.com).
8. 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.
9. Target Company confirms that the trading in the Equity Shares of the Target Company was never suspended on BSE.
10. In the year 2019, the name of the Target Company was changed from Onesource Techmedia Limited to SDC Techmedia Limited and a fresh Certificate of Incorporation pursuant to such change in name was issued on October 23, 2019 by Registrar of Companies, Chennai and except as aforesaid, there has been no changes in the name of the Target Company in last three years.
11. Target Company made its maiden public issue of 20,00,000 Equity Shares at a price of ₹ 14/- per equity share aggregating to ₹ 280.00 Lacs and was listed on SME Platform of BSE in the year 2013. (Source: Prospectus dated May 04, 2013)
12. In the year 2017, in compliance with Regulation 31A (5) of SEBI (LODR), Regulations, 2015, BSE vide its approval letter No. LIST/COMP/VK/118/2017-18 dated May 17, 2017 accorded its approval for Re-classification of Erstwhile Promoter under Public Category and Classification of Mr. Fayaz Usman Faheed (Seller) under promoter category.
13. In the year 2018, Acquirer made public announcement dated February 20, 2018 to acquire upto 25,97,000 Equity Shares constituting upto 40% of the then Paid up Capital of the Target Company. Subsequently the Acquirer acquired the said Equity Shares and Management Control of the Target

Company wide post open offer report dated May 18, 2018. Pursuant to the same the Acquirer was inducted as Co-Promoter of the Target Company.

14. There are no Equity Shares that are not listed on the Stock Exchange. (Source: www.bseindia.com)
15. **The capital structure of the Target Company as of the date of this Draft Letter of Offer is:**

Issued and Paid-up Equity Share Capital	Number of Equity Shares (Face Value - ₹ 10/-)/Voting Rights	Percentage of Equity Shares/Voting Rights
Fully paid-up equity shares	64,92,500	100%
Partly paid-up equity shares		
Total paid-up equity shares		

16. There has been certain delay in compliances with respect to the applicable provisions of Chapter V, Regulations 10(6) and 10(7) of the Takeover Regulations by the Erstwhile Promoter of the Target Company for the event dated July 01, 2016. **SEBI may take appropriate action against the Erstwhile Promoter for the same.**
17. Seller had entered into an Share Purchase Agreement dated May 29, 2015 with Erstwhile Promoter of the Target Company for acquisition of 17,71,200 Equity Shares of face value Rs. 10/- each for cash representing 27.28% of the Voting Share Capital of the Target Company at a price of Rs. 5.75/- along with management control in the Target Company. The Seller had made an open offer to the then public shareholders of the Target Company which was completed on November 17, 2015. The said SPA was to be consummated within 26 weeks from the expiry of offer period, however Seller consummated the SPA on November 23, 2016 (i.e. after the completion of 26 weeks from the expiry of offer period). SEBI may take appropriate action against the Seller for the same.
18. There has been certain technical error in compliance with respect to the applicable provisions of Chapter V, under Regulation 29 (1) of the Takeover Regulations by the Seller of the Target Company for the event dated November 23, 2016. **SEBI may take appropriate action against the Seller for the same.**
19. There has been certain delay in compliance with respect to the applicable provisions of Chapter V, under Regulation 29 (2) of the Takeover Regulations by the Erstwhile Promoter of the Target Company for the event dated November 23, 2016. **SEBI may take appropriate action against the Erstwhile Promoter for the same.**
20. There has been certain technical error in compliance with respect to the applicable provisions of Chapter V, under Regulation 30 (1) of the Takeover Regulations by the Seller of the Target Company for the financial year ended March 31, 2017. **SEBI may take appropriate action against the Seller for the same.**
21. There has been certain delay in compliance with respect to the applicable provisions of Chapter V, under Regulation 30 (2) of the Takeover Regulations by the Erstwhile Promoter of the Target Company for the financial year ended March 31, 2017. **SEBI may take appropriate action against the Erstwhile Promoter for the same.**
22. In the year 2017, in compliance with Regulation 31A (5) of SEBI (LODR), Regulations, 2015, BSE vide its approval letter No. LIST/COMP/VK/118/2017-18 dated May 17, 2017 accorded its approval for Reclassification of Erstwhile Promoter under Public Category and Classification of Mr. Fayaz Usman Faheed (Seller) under promoter category.
23. In the year 2018, Acquirer made public announcement dated February 20, 2018 to acquire upto 25,97,000 Equity Shares constituting upto 40% of the then Paid up Capital of the Target Company.

Subsequently the Acquirer acquired the said Equity Shares and Management Control of the Target Company vide post open offer report dated May 18, 2018. Pursuant to the same the Acquirer was inducted as Co-Promoter of the Target Company.

24. There has been certain a delay in compliance with respect to the applicable provisions of Chapter V, under Regulation 29(1) of the Takeover Regulations by the Acquirer of the Target Company for the event dated May 18, 2018. **SEBI may take appropriate action against Acquirer for the same.**
25. As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

Sr. No.	Name, Age and Address	Designation	DIN	Date of Appointment / Re-appointment
1.	Fayaz Usman Faheed Age: 38 years Address: No.71, First Avenue, First Cross Street, Vettuvnkeni, ECR Road, Chennai - 600041, Tamil Nadu, India	Managing Director	00252610	February 21, 2018
2.	Baskaran Sathya Prakash Age: 43 years Address: Kannagam, 22 Thilagar Street, R S Puram, Coimbatore - 641002, Tamil Nadu, India	Independent Director	01786634	April 01, 2019
3.	Vasudevan Sridharan Age: 56 years Address: 403 A, Block B, Vijaya Bhagyam Court, 273, Velachery Main Road, Velacherry, Chennai - 600042, Tamilnadu, India	Independent Director	07487245	April 22, 2016
4.	Samia Faheed Age: 33 years Address: No.71, First Avenue, First Cross Street, Vettuvnkeni, ECR Road, Chennai - 600041, Tamil Nadu, India	Non- Executive Director	02967081	February 21, 2018

26. No merger / demerger / spin off have taken place in the Target Company during the last three years.
27. Acquirer belongs to the Promoter and Promoter Group of the Target Company and to the extent he is related with the management of the Target Company.
28. 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, 2019, March 31, 2018 and March 31,

2017 and unaudited financials subject to limited review for the period ended September 30, 2019 are as follows:

(Amount ₹ In lacs)

Profit & Loss Statement	For the period ended September 30, 2019	For the year ended March 31,		
		2019	2018	2017
Income from Operations	552.90	947.75	645.76	393.43
Other Income	0.37	(0.81)	23.59	(42.63)
Total Income	553.26	946.94	669.35	350.80
Total Expenditure excluding Depreciation & Interest	348.98	530.08	427.80	236.24
Profit Before Depreciation Interest and Tax	204.28	416.86	241.55	114.56
Depreciation	0.00	170.07	358.00	96.52
Interest	6.02	51.15	57.17	5.52
Profit Before Tax	198.26	195.64	(173.62)	12.52
Tax Expense	0.00	57.70	0.00	0.00
Profit After Tax	198.26	137.94	(173.62)	12.52
Balance Sheet Statement	For the period ended September 30, 2019	For the year ended March 31,		
		2019	2018	2017
Source of Funds				
Paid up share capital	649.25	649.25	649.25	649.25
Reserves and Surplus (excluding revaluation reserves)	395.89	197.62	59.68	233.29
Networth	1045.14	846.87	708.93	882.54
Non - Current Liabilities				
Long Term Borrowings	2270.39	2,321.73	1,290.10	911.16
Long-term provisions	699.92	627.70	445.51	338.00
Deferred Tax Liabilities	50.00	50.00	1.37	1.37
Other Long Term Liabilities	0.00	0.00	0.00	0.00
Current Liabilities				
Trade Payables	133.26	21.94	13.05	56.53
Short-term borrowings	0.00	0.00	0.00	0.00
Short-term provisions	0.00	0.00	0.00	0.00
Other Current Liabilities	12.74	16.56	219.29	44.33
Total	4211.45	3,884.80	2,678.25	2,233.93
Use of Funds				
Net fixed assets	2522.73	2,208.90	1,411.64	1,253.19
Non-current investments	575.51	575.51	339.35	394.18
Long Term Loans & Advances	33.09	33.09	98.47	103.96
Other Assets	0.00	0.00	0.00	30.56
Deferred Tax Asset	0.00	0.00	0.00	0.00
Current Assets				
Inventories	18.26	35.80	39.89	51.23
Trade Receivables	650.69	446.14	393.55	84.61
Cash and Bank Balances	28.01	248.37	20.31	15.69
Short Term Loans and Advances	0.00	0.00	0.00	0.00

Other current assets	383.16	336.99	375.04	300.51
Total	4211.45	3,884.80	2,678.25	2,233.93
Other Financial Data	For the period ended September 30, 2019	For the year ended March 31,		
		2019	2018	2017
Dividend (%)	0.00	0.00	0.00	0.00
Earnings Per Share (₹)	3.05	2.12	(2.67)	0.19
*Return on Net worth (%)	18.97%	16.29%	(24.49)%	1.42%
Book Value per share (₹)	16.10	13.04	10.92	13.59

(*On the basis of Opening Network)

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

Shareholders' Category	Shareholding & voting rights prior to the acquisition (SPA) and Open Offer		Equity Shares/voting rights agreed to be acquired which has triggered the Regulations		Equity Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the SPA and Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter/ promoter group								
a. Parties to agreement, if any	19,71,200	30.36	-	-	-	-	16,41,200 ^{\$}	25.28
b. Promoters other than (a) above	-	-	-	-	-	-	-	-
Total (1)	19,71,200	30.36	-	-	-	-	16,41,200	25.28
(2) Acquirer	25,90,000	39.89	3,30,000	5.08	16,90,000	26.03	46,10,000	71.00
(3) Parties to Agreements other than (1) & (2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirer)	19,31,300	29.75	-	-	(16,90,000)	(26.03)	2,41,300	3.72
Total (4)	19,31,300	29.75	-	-	16,90,000	26.03	2,41,300	\$\$\$3.72
Grand Total (1+2+3+4)	64,92,500	100	-	-	25,97,000	40.00	64,92,500	100

\$ The Current Promoter of the Target Company will continue to be the Promoter of the Target Company along with the Acquirer.

\$\$ The acquisition of 26.03% of the Voting Share Capital (assuming full acceptances) under the Offer will result in the public shareholding in the Target Company falling below the level required for continuous listing. To the extent the Promoters post-Offer holding in the Company exceeds the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957, as amended (the "SCRR"), the Promoters jointly 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.

30. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A) JUSTIFICATION FOR THE OFFER PRICE

1. The Equity Shares of the Target Company are listed on SME platform of BSE only.
2. 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 (December 01, 2018 to November 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	20,000	64,92,500	0.31

(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 within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.
4. The Offer Price of ₹ 14/- (Rupees Fourteen only) is justified in terms of regulation 8 of the SEBI (SAST) Regulations, 2011, **being the highest of the following:**

a)	Highest negotiated price per share for acquisition under the the agreement attracting the obligations to make a public announcement for the offer;	₹ 14/-
b)	The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirer 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 Acquirer 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 Acquirer 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	#₹ 13.04/-
Other Financial Parameters as at March 31, 2019		
	Return on Networth (%)	16.29
	Book Value per share (₹)	13.04
	Earnings per share (Diluted) (₹)	2.12

Mr. Chintan Shah, Partner of Chhogmal & Co., Chartered Accountant (Membership No. 107490; FRN No. 101826W) having office at 106, Omkar Summit Business Bay, Near Gurunanak Petrol pump, Opp. Cinemax Theater, Sir Mathuradas Vasanji Road, Andheri East, Mumbai, Maharashtra 400093; Email id: chintan@chhogmal.co.in, vide certificate dated December 03, 2019 bearing Unique Document Identification Number (UDIN) 19107490AAAEWU1072, 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 ₹ 13.04/- per Equity Share.

The Open Offer is being made at a price of ₹ 14/- which is higher of the Fair Market Valuation arrived, hence, justified.

5. In view of the above parameters considered and in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 14/- per equity share is justified in terms of regulation 8 of the SEBI (SAST) Regulations.
6. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
7. There has been no revision in the Offer Price or to the size of this Offer as on the date of this Draft Letter of Offer.
8. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 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 Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph V(4) 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, the total funds requirements to meet this Offer is ₹ **2,36,60,000** (Rupees Two Crores Thirty Six Lacs Sixty Thousand Only).
2. The Networth of Acquirer as on October 31, 2019 is ₹ 149.29 Crores (Rupees One Hundred and Forty Nine Crores and Twenty Nine Lacs only) and the same is certified by Mr. C. L Raveendhar, Proprietor of C. L Raveendhar & Co., Chartered Accountant (*Membership No.* 026229; *FRN No.*011093S) having office at CLR Greenfield Centre, No. 70/4, RR Layout, RS Puram, Coimbatore-641002; Email id: claudit@gmail.com, *vide* certificate dated November 11, 2019.
3. In accordance with Regulation 17(1) of the Takeover Regulations, the Acquirer has opened an escrow cash account bearing account No. 50200029168377 ("**Escrow Cash Account**") with HDFC Bank Ltd, a banking company incorporated under the Companies Act and acting through its branch office at No 5030 Ground Floor, Sreevasta Centre, GN Mills Post, Mettupalayam Road, Coimbatore – 641029 ("**Escrow Bank**") with, and has made a cash deposit of ₹ 2,36,60,000/- (Rupees Two Crores Thirty Six Lacs Sixty Thousand Only) ("**Escrow Account**") in the same. The cash deposited in Escrow Cash Account represents **100%** of the total consideration payable to the Equity Shareholders under this Offer. Escrow Bank vide email dated December 09, 2019 has confirmed the credit balance of ₹ 2,36,60,000/- (Rupees Two Crores Thirty Six Lacs Sixty Thousand Only). The Acquirer has empowered the Manager to the Offer to operate and to realize the value of the Escrow Account in terms of the Regulations.
4. 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 Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.
5. The funds required in relation to the Offer have been met from funds from the own funds of the Acquirer.
6. 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 Acquirer to implement the offer in full accordance with the Takeover Regulations.

VII. TERMS AND CONDITIONS OF THE OFFER

1. The Tendering Period will commence on Wednesday, January 29, 2020 and will close on Tuesday, February 11, 2020.
2. The Equity Shares offered under this Offer should be free from all lien, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
4. The Identified date for this Offer is Wednesday, January 15, 2020.
5. Target Company has signed agreements with Depositories for offering Shares in dematerialized form. The ISIN Number is INE807O01011. (Source: www.bseindia.com)
6. The Marketable lot for the Shares of the Target Company for the purpose of this Offer shall be 10,000. (Source: www.bseindia.com).
7. 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 Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form whose names appear in register of Target Company as on Wednesday, January 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 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 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 Tendering Period for this Open Offer. Please refer to Chapter# VIII titled "*Procedure for Acceptance and Settlement of the Offer*" of this DLOF for details in relation to tendering of Offer Shares held in physical form.
4. 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.
5. The PA, the DPS, the Letter of Offer will also be available on the SEBI website: 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.

6. 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.
7. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s)/Beneficial owner(s) of Target Company.
8. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
9. The Acquirer reserves 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, January 28, 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 Acquirer 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. As of the date of this Draft Letter of Letter, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any such statutory approvals are required by the Acquirer at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer 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 the Reserve Bank of India, the Foreign Investment Promotion Board or any regulatory body for the transfer of any Equity Shares to the Acquirer, 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 Acquirer reserves the right to reject the Equity Shares tendered by such shareholders that are not resident in India.
3. The Acquirer shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
4. In terms of Regulation 18(11) of the Takeover Regulations, the Acquirer shall be responsible to pursue all statutory approvals required by the Acquirer 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 Acquirer or the failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer 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 Acquirer 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 (B) (1) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirer have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, the Stock Exchange and the registered office of the Target Company.

VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

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 Draft 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 Acquirer has 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 Acquirer. 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 can tender their Equity Shares only through a broker with whom they are registered as client (KYC Compliant).
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 DEMATERIALIZED FORM:

- a) As per the proviso to Regulation 40(1) of the SEBI LODR Regulations (as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

ACCORDINGLY, THE PUBLIC SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM AND ARE DESIROUS OF TENDERING THEIR EQUITY SHARES IN THE OFFER CAN DO SO ONLY AFTER THE EQUITY SHARES ARE DEMATERIALIZED. SUCH PUBLIC SHAREHOLDERS ARE

ADVISED TO APPROACH ANY DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALISED.

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

THE PUBLIC SHAREHOLDERS HOLDING SHARES IN DEMAT MODE (INCLUDING THOSE PHYSICAL SHAREHOLDERS WHO DEMAT THEIR PHYSICAL SHARES FOR THE PURPOSE OF TENDERING IT IN THE OPEN OFFER) ARE NOT REQUIRED TO FILL ANY FORM OF ACCEPTANCE

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

1. The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker, indicating details of Shares they wish to tender in Open Offer.
2. The Selling Broker shall provide early pay-in of demat shares (except for Custodian Participant orders) to the Clearing Corporation before placing the bids / orders and the same shall be validated at the time of order entry.
3. For Custodian Participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the Custodian. The Custodians shall either confirm or reject orders not later than close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
4. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation, before the opening of the Offer.
5. Upon placing the bid, the seller member(s) shall provide Transaction Registration slip ("TRS") generated by the Exchange Bidding System to the shareholder. TRS will contain details of order submitted like Bid ID No. DP ID, Client ID, No of Shares tendered etc.
6. 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 prorated Open Offer.

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 Acquirer 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 DLOF.
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) or BSE (www.bseindia.com) or the Manager to the Offer (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. The direct credit of Equity Shares shall be given to the demat accounts of the Acquirer indicated by the Acquirer's Buying Broker, through the pool account. For the same, the existing facility of client direct payout in the capital market segment shall be available.
5. 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.
6. In case of partial or non-acceptance of orders or excess pay-in, Demat Shares shall be released to the securities pool account of the Selling Broker(s) / Custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.
7. 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 Acquirer 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 Acquirer 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 Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirer 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 basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Act. A person who is treated as a non-resident for 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 accrue 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". 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 the Income Tax Act, 1961 ("IT Act"). Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for income-tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e. stock-in-trade). 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. Any applicable surcharge and education cess would be in addition to such applicable tax rates. 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 relevant 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 STT upon both acquisition 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 calculated on gains exceeding INR 100,000 (Indian 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 transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

- ii. As per section 111A of the 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 rates.
- iv. In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirer shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. However, 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 Draft 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.

THE ABOVE DISCLOSURE 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 THE EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.

IX. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at Centre Point, 605, 6th 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 SDC Techmedia Limited.
- Certificate dated November 15, 2019 issued by Mr. C. L Raveendhar, Proprietor of C. L Raveendhar & Co., Chartered Accountant (Membership No. 026229; FRN No.011093S), certifying the net worth of the Acquirer;
- Annual reports of the Target Company for the financial years ending March 31, 2019, March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015;
- Unaudited financials subject to Limited Review for the period ended September 30, 2019.
- Email dated December 09, 2019 from HDFC Bank Limited confirming the cash deposit of ₹ 2,36,60,000/- (Rupees Two Crores Thirty Six Lacs Sixty Thousand Only) in the Escrow Account with a lien marked in favor of the Manager to the Offer;
- Copy of Share Purchase Agreement - between the Acquirer and Seller dated December 06, 2019;
- Copy of Escrow Agreement between the Acquirer, Manager to the Offer and Escrow Bank;
- A copy of Public Announcement dated December 09, 2019, published copy of the Detailed Public Statement – dated December 10, 2019;
- Observation letter bearing reference number [●] dated [●] received from SEBI in terms of Regulation 16(4) of the Regulations;
- A copy of the recommendation made by the Committee of Independent Directors (IDC) of the Target Company.

X. DECLARATION BY THE ACQUIRER

For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company the Acquirer 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 Acquirer, accepts full responsibility for the information contained in this Draft Letter of Offer and also accept responsibility for the obligations of the Acquirer as laid down in the Takeover Regulations. The Acquirer shall be solely responsible for ensuring compliance with the Takeover Regulations.

MR. JOSE CHARLES MARTIN

135/1, Thiruvalluvar Street, Vellakinar Pirivu, G.N. Mills Post,
Coimbatore - 641029, Tamil Nadu, India;

Email: md@mandc.in

Sd/-

(Signed by Mr. Ashok R Bhat, for and on behalf of the Acquirer, holding Specific Power of Attorney dated November 19, 2019)

Place: **Coimbatore**

Date: December 17, 2019