

**DRAFT LETTER OF OFFER**

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

This Draft Letter of Offer is sent to you as a Public Equity Shareholder(s) of **IEL Limited**. If you require any clarification about action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your equity shares in **IEL Limited**, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement to the member of the stock exchange through whom the said sale was effected.

**OPEN OFFER (“Offer”)**

**BY**

**RONIT CHAMPAKLAL SHAH (“the Acquirer -1”), KALPANABEN CHAMPAKLAL SHAH (“the Acquirer-2”) & ROMIT CHAMPAKLAL SHAH (“the Acquirer-3”)**

C-302, Shilalekh Apartment, Opp. Police Stadium, Shahibaug, Ahmedabad – 380004

(Hereinafter altogether referred to as “Acquirers”)

**TO ACQUIRE**

**Upto 8,67,785 (Eight lakh Sixty Seven Thousand Seven Hundred Eighty Five) Fully Paid Up Equity Shares of the face value of Rs.10/- each at an Offer Price per equity share of Rs.2/- each payable in cash, representing 26% of the issued, subscribed, paid up and voting capital pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof, from the public shareholders.**

**OF**

**IEL LIMITED**

**Registered Office: Nanavati Mahalaya, 18, Homi Mody Street, Fort, Mumbai – 400 001**

**Corporate Identification Number (CIN): L15140MH1956PLC009720**

**Tel: 022-2204 4422; Email: iel@nanavatigroup.com; Website: www.nanavatigroup.com**

**Please Note:**

- This Offer is being made by the Acquirers pursuant to regulation 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI SAST Regulations, 2011**”) for substantial acquisition of shares/ voting rights accompanied with change in control and management of the Target Company.
- This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI SAST Regulations, 2011.
- To the best of the knowledge of the Acquirers, there are no statutory approvals required for the purpose of this Offer. If any statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such statutory approvals.
- If there is any upward revision in the Offer Price/Size at any time prior to the commencement of the last one working day before the commencement of the tendering period in terms of the SEBI SAST Regulations, 2011 the same would also be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement had appeared. If the Offer is withdrawn pursuant to regulation 23, the same would be communicated within two (2) working days by an Announcement in the same newspapers in which the Detailed Public Statement had appeared.
- This Offer is not a competing bid.
- If there are competing bid, the public offers under all the subsisting bids shall open and close on the same date. As per the information available with the Acquirers / Target Company, no competitive bid has been announced as of the date of this Draft Letter of Offer.
- Upward revision/withdrawal, if any, of the Open Offer would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement (“**DPS**”) has appeared. The Acquirers is permitted to revise the Open Offer Price upwards only at any time prior to the commencement of the last one working day before the commencement of the tendering period. Such revised Open Offer Price would be payable for all the Shares validly tendered anytime during the tendering period of the Open Offer.
- The Public Announcement, Detailed Public Statement and this Draft Letter of Offer (including Form of Acceptance cum Acknowledgment) are also available on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

<b>MANAGER TO THE OFFER</b>	<b>REGISTRAR TO THE OFFER</b>
	
<p><b>ISK Advisors Private Limited</b> 5 Laxmi Society, B/h. Sasuji Dining Hall, Off C.G. Road, Ellisbridge Ahmedabad – 380006 Tel: +91-79-26403765/26464023 Website: <a href="http://www.iskadvisors.com">www.iskadvisors.com</a></p> <p>Investor Grievance email id : <a href="mailto:enquiry@ncmpl.com">enquiry@ncmpl.com</a> Contact Person: Mr. Ronak I. Kadri SEBI Registration No: INM000012625 CIN No: U74140GJ1991PTC016747</p>	<p><b>Link Intime India Private Limited</b> C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai – 400 083 Tel: + 91-22-49186200 / Fax : +91-22-49186195 Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Email : <a href="mailto:ielltd.offer@linkintime.co.in">ielltd.offer@linkintime.co.in</a></p> <p>Contact person : Mr. Sumeet Deshpande SEBI Registration No. : INR 000004058 CIN No:U67190MH1999PTC118368</p>
<b>OFFER OPENS ON: 12<sup>th</sup> May, 2020</b>	<b>OFFER CLOSES ON: 27<sup>th</sup> May, 2020</b>

## SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Activity	Date	Day
Issue of Public Announcement	12 <sup>th</sup> March, 2020	Thursday
Publication of Detailed Public Statement	19 <sup>th</sup> March, 2020	Thursday
Filing of draft letter of offer with SEBI along with soft copies of Public Announcement and detailed Public Statement	26 <sup>th</sup> March, 2020	Thursday
Last date for public announcement for competing offer(s)	7 <sup>th</sup> April, 2020	Tuesday
Last date for receipt of comments from SEBI on the Draft Letter of Offer	22 <sup>nd</sup> April, 2020	Wednesday
Identified Date*	24 <sup>th</sup> April, 2020	Friday
Last Date by which Letter of Offer to be dispatched to the Shareholders	4 <sup>th</sup> May, 2020	Monday
Last date for upward revision of the Offer Price and/or the Offer Size	7 <sup>th</sup> May, 2020	Thursday
Last date by which the committee of Independent Directors of the Target Company shall give its recommendations	8 <sup>th</sup> May, 2020	Friday
Advertisement of schedule of activities for Open Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company at its registered office	11 <sup>th</sup> May, 2020	Monday
Date of Commencement of Tendering Period (Offer Opening Date)	12 <sup>th</sup> May, 2020	Tuesday
Date of Expiration of Tendering Period (Offer Closing Date)	27 <sup>th</sup> May, 2020	Wednesday
Last date of communicating of rejection/ acceptance and payment of consideration for accepted tenders/ return of unaccepted shares	10 <sup>th</sup> June, 2020	Wednesday

(\* Identified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All shareholders (registered or unregistered) of equity shares of the Target Company (except Acquirers and Sellers) are eligible to participate in the Offer any time before the closure of the Offer.

The above timelines are tentative (prepared on the basis of timelines provided under the SEBI SAST Regulations, 2011 and are subject to change for any reason, including, but not limited, to delays in receipt of approvals or comments from regulatory authorities).

## RISK FACTORS

The risk factors set forth below pertain to the underlying transaction, this Open Offer and are not intended to be a complete analysis of all risks in relation to this Open Offer or in association with the Acquirers or the Target Company, but are only indicative. The risk factors set forth below do not relate to the present or future business or operations of the Target Company and any other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in this Open Offer, but are merely indicative. Public Shareholders are advised to consult their stock brokers, tax advisers and/ or investment advisers/consultants, for analysing all the risks with respect to their participation in this Open Offer.

### Relating to the Transaction:

- a. On 12<sup>th</sup> March, 2020 the Acquirers has entered into a Share Purchase Agreement (“SPA”) with **Mr. Priyam Shantilal Jhaveri, Shantilal Bhogilal Jhaveri, Gayatri Priyam Jhaveri, Sonera Priyam Jhaveri, Preetaben M. Sonawala & Nanavati Speciality Chemicals Private Limited**, Promoters of the Target Company (“Sellers”), wherein the Acquirers has agreed to acquire 19,18,333 Equity Shares (“Sale Shares”) from the Sellers, constituting to 57.48% of the Issued, Subscribed and Voting Capital of the Target Company. The said sale is agreed to be completed at a price of Rs.2/- (Rupees Two only) per Equity Share (“Negotiated Price”), aggregating to Rs.38,36,666/- (Rupees Thirty Eight Lakhs Thirty Six Thousand Six Hundred Sixty Six only) (“Purchase Consideration”) payable in cash.
- b. In accordance with the terms and conditions of the SPA and the acquisition of Offer Shares, there will be a change in control and management of the Target Company which may have significant effect on the business, financial condition and the results of the operations of the Target Company.
- c. The SPA is subject to the compliance of provisions of the SEBI SAST Regulations, 2011 and in case of non-compliances with the provisions of the SEBI SAST Regulations, 2011 the SPA shall not be acted upon.
- d. The consummation of the acquisition of the Sale Shares by the Acquirers, as envisaged under the SPA, is subject to satisfaction of all the conditions of the SPA and receipt of the statutory or regulatory approvals as set out herein.

### Relating to the Open Offer:

- a. To the best of the knowledge and belief of the Acquirers, no statutory or regulatory approvals are required by the Acquirers to complete this Open Offer. However, in case of any statutory or regulatory approvals being required by the Acquirers at a later date, this Open Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory or regulatory approvals, as per Regulation 18(11) of the SEBI SAST Regulations, 2011, 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 10<sup>th</sup> Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Where the statutory or regulatory approvals extend to some but not all the Public Shareholders, the Acquirers shall have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such Public Shareholders.
- b. The acquisition of the Offer Shares from NRIs and erstwhile OCBs is subject to the approval or exemption from the RBI. Where any such statutory or regulatory approval or exemption extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory or regulatory approvals or exemptions are required in order to complete this Offer. Notwithstanding the RBI approval sought by the Acquirers, any NRIs and OCBs may also choose to apply for all requisite approvals required to tender their respective Offer Shares and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.

- c. In the event that either (a) the statutory or regulatory approvals, if any required, are not received in a timely manner (b) there is any order of a governmental authority or litigation leading to a stay/injunction on the Open Offer or that restricts/restrains the Acquirers from performing its obligations hereunder, or (c) SEBI instructing the Acquirers not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders of Target Company, whose Equity Shares have been accepted in the Open Offer as well as the return of Equity Shares not accepted by the Acquirers in the Open Offer, may be delayed.
- d. Public Shareholders who have lodged their acceptance to this Open Offer shall not be entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Open Offer and dispatch of consideration are delayed.
- e. The Equity Shares tendered in the Offer and documents will be held in the pool account of the broker/ in trust by the Clearing Corporation/Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed. The Public 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 Public Shareholders on whether or not to participate in the Offer.
- f. In the case of the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, acceptance will be determined by the Acquirers in consultation with the Manager to the Offer, on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Open Offer will be accepted.
- g. 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 Open 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.
- h. Public Shareholders are advised to consult their respective stockbroker, legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for assessing the tax liability pursuant to this Open Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case and further risks with respect to their participation in the Open Offer, and related transfer of Equity Shares to the Acquirers, and the appropriate course of action that they should take. The Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer, and all shareholders should independently consult their respective tax advisors.
- i. The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, and this Draft Letter of Offer or in any advertisement or any materials issued by or at the instance of the Acquirers. Any persons placing reliance on any other source of information (not released by the Acquirers or the Manager to the Offer) will be doing so at his/her/their own risk.
- j. This Offer is subject to completion risks as would be applicable to similar transactions.

- k. SEBI may initiate appropriate action against the Acquirers/PAC/Promoters/Target Company in terms of the SEBI (SAST) Regulations and in terms of provisions of the SEBI Act for any non-compliances/delayed compliances of SEBI Regulations by them.

**Relating to the Acquirers:**

- a. The Acquirers makes no assurances with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- b. The Acquirers makes no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.
- c. The Acquirers makes no assurances with respect to the market price of the Equity Shares before, during or after the Offer expressly disclaims any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Public Shareholder on whether to participate or not to participate in the Offer.
- d. If the public shareholding in the Target Company falls below the prescribed minimum level required for continued listing as a result of the Open Offer and/or the underlying transaction, the Acquirers are required to take appropriate action in compliance with applicable securities laws in India to ensure compliance with the conditions of the SCRR and the SEBI LODR Regulations. Any failure to do so could have an adverse effect on the price of the Equity Shares of the Target Company.
- e. For the purpose of disclosures in the PA or DPS or this Draft Letter of Offer in relation the Target Company and/or the Sellers, the Acquirers has relied on the information published or provided by the Target Company and/or the Sellers, as the case may be, or publicly available sources and have not independently verified the accuracy of details of the Target Company and/or the Sellers. The Acquirers does not accept any responsibility with respect to any misstatement by the Target Company and/or the Sellers in relation to such information.
- f. The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement (PA) / Detailed Public Statement (DPS) / Letter of Offer (LoF) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk.

**The risk factors set forth above, pertain to the Offer and are not in relation 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 participation or otherwise by a shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer and related sale and transfer of Equity Shares of the Target Company to the Acquirers, Currency of Presentation:**

- a. In this Letter of Offer, all references to “Rs.”/”Rupees”/”INR” are references to Indian Rupee(s), the official currency of India.
- b. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

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## 1. DEFINITIONS AND ABBREVIATIONS

Terms	Definitions / Abbreviations
Acquirers	RONIT CHAMPAKLAL SHAH (“the Acquirer -1”), KALPANABEN CHAMPAKLAL SHAH (“the Acquirer-2”) & ROMIT CHAMPAKLAL SHAH (“the Acquirer-3)
Board of Directors	The Board of Directors of the Target Company
Book Value	Book Value of each Equity Shares on the date referred to
BSE	BSE Limited
Buying Broker	Stock broker appointed by the Acquirers for the purpose of Open offer i.e. Oswal Shares & Securities Limited, having office at 605, Sakar-1, Opp. Nehru Bridge, Ashram Road, Ahmedabad – 380 009.
CDSL	Central Depository Service (India) Limited
CIN	Corporate Identification Number
Companies Act	The Companies Act, 1956, as amended and the Companies Act, 2013, as amended, as the case may be.
Clearing Corporation	Clearing Corporation of Stock Exchange
Detailed Public Statement or DPS	Detailed Public Statement of the Open Offer made by the Acquirers, which appeared in the newspapers on 19 <sup>th</sup> March, 2020.
Depositories	CDSL and NDSL
DIN	Director Identification Number
DP	Depository Participant
Draft Letter of Offer/DLOF	The Draft Letter of Offer dated 26 <sup>th</sup> March, 2020
Eligible Person(s) / Eligible Shareholder(s) for the Offer/Public Shareholders	All shareholders / beneficial owners (registered or otherwise) of the shares of the Target Company except the Acquirers and the Sellers. All the owners (registered or unregistered) of the Equity Shares of the Target Company other than the parties to the SPA.
EPS	Earning per Equity Shares
Escrow Account	The account opened with Escrow Bank under the name and title “Ronit Shah Open Offer Escrow Account” bearing Account No. 000405123324.
Escrow Agreement	Escrow Agreement dated 13 <sup>th</sup> March, 2020, entered amongst the Acquirers, Escrow Bank and Manager to the Offer.
Escrow Bank	ICICI Bank Limited
Equity Shares	Fully paid-up equity shares of the Target Company of face value of Rs.10/- each.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time.
FII	Foreign Institutional Investor registered with SEBI
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgment
FY	Financial Year
Identified Date	The date, falling on the 10th Working Day prior to the commencement of the Tendering Period, for the purpose of determining the names of shareholders as on such date to whom the Letter of Offer will be sent.
Income Tax Act	The Income Tax Act, 1961 as amended.
Indian Extractions Limited/ IEL Limited/ IEL/ Target Company	A company incorporated in Companies Act, 1956 and having its registered office at Nanavati Mahalaya 18, Homi Mody Street, Fort, Mumbai – 400001
ISK Advisors Private Limited / ISK Advisors / Manager to the Offer / MB / Merchant Banker	ISK Advisors Private Limited, the Merchant Banker appointed by the Acquirers pursuant to Regulations 12 of SEBI SAST Regulations, 2011 having registered office at 5 Laxmi Society, B/h. Sasuji Dining Hall, Off C.G. Road, Ahmedabad – 380 006
KYC	Know Your Client
Listing Agreement	Equity Listing Agreement with each of the stock exchanges in India, as amended from time to time.
NAV	Net Asset Value per Equity Share
Negotiated Price	Rs.2/- (Rupees Two only) per fully paid-up Equity Share of face value of Rs.10/- each.
NRIs	Non Resident Indians and Persons of Indian origin residing abroad
NSDL	National Securities Depository Limited
Offer /Open Offer	This Open Offer, being made by the Acquirers to the public shareholders of the Target Company (other than parties to the SPA,) to acquire upto 8,67,785 fully paid-up equity shares of face value of Rs.10/- each, constituting 26.00% of the issued, subscribed and voting capital of the Target Company.

Offer Price	Rs. 2/- (Rupees Two only) per fully paid up equity share of Rs.10/- each
Offer Period	Period from the date of entering into Share Purchase Agreement to the date on which the payment of consideration to the shareholders whose Equity Shares are accepted in this Open Offer, is made, or the date on which this Open Offer is withdrawn, as the case may be.
PA /Public Announcement	Public Announcement of the Open Offer issued by the Manager to the Offer, on behalf of the Acquirers on 12 <sup>th</sup> March, 2020.
PAN	Permanent Account Number
PAT	Profit after Tax
PBDIT	Profit Before Depreciation, Interest and Tax
PBT	Profit Before Tax
Promoters	Promoters as on 31st December, 2019 as per regulation 31 of SEBI ICDR.
Public Shareholders	All equity shareholders of the Target Company other than members of the Promoter and Promoter Group of the Target Company
RBI	Reserve Bank of India
Registrar/ Registrar to the Offer	Link Intime India Private Limited
Regulations / SEBI SAST Regulations, 2011/ SAST Regulations/ Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
Rs. Or Rupees or INR	Indian Rupees
RTGS	Real Time Gross Settlement.
Sale Shares	19,18,333 fully paid-up equity shares of face value of Rs.10/- each, constituting 57.48% of the issued, subscribed and voting capital of the Target Company to be sold by the Sellers to the Acquirers, in terms of the SPA.
SCRR	Securities Contract (Regulations) Rules, 1957 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subsequent amendments thereof
SEBI SAST Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
Sellers	Priyam Shantilal Jhaveri, Shantilal Bhogilal Jhaveri, Gayatri Priyam Jhaveri, Sonera Priyam Jhaveri, Nanavati Speciality Chemicals Private Limited and Preetaben M. Sonawala.
Selling 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 12 <sup>th</sup> March, 2020 entered amongst the Acquirers and Sellers.
Stock Exchange	BSE Limited
Tendering period	Period within which shareholders may tender their shares in acceptance of this open offer i.e. from 12 <sup>th</sup> May, 2020 to 27 <sup>th</sup> May, 2020
Working Day	A working day of SEBI, as defined in the SEBI SAST Regulations, 2011.

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 SEBI SAST Regulations, 2011 unless specified otherwise.



## 2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI SAST REGULATIONS, 2011. THIS REQUIREMENT IS TO FACILITATE PUBLIC SHAREHOLDERS OF IEL 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 FOR THE COMPANY WHOSE 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 PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, ISK ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 25<sup>th</sup> MARCH, 2020 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE 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.”

### 3. DETAILS OF THE OFFER

#### 3.1 Background to the Offer

3.1.1 This Offer is being made under Regulations 3(1) and 4 and other applicable provisions of the SEBI SAST Regulations, 2011 and is being made as a result of a direct substantial acquisition of Equity Shares and voting rights in and control over the Target Company by the Acquirers, pursuant to the Share Purchase Agreement.

3.1.2 The Acquirers has entered into a Share Purchase Agreement (“SPA”) on 12<sup>th</sup> March, 2020 with the Sellers, wherein it is proposed that the Acquirers shall purchase 19,18,333 fully paid up equity shares of the Target Company of face value Rs.10/- each, which constitutes 57.48% of the issued, subscribed, paid-up and voting share capital. The said sale is proposed to be executed at a price of Rs.2/- (Rupees Two only) per fully paid-up equity share (“**Negotiated Price**”) aggregating to Rs.38,36,666/- (Rupees Thirty Eight Lakhs Thirty Six Thousand Six Hundred Sixty Six only) (“**Purchase Consideration**”) payable in cash. Consequent to the changes in control and management of the Target Company contemplated under the SPA, this mandatory Open Offer is being made by the Acquirers in compliance with Regulation 3(1), 4 and other applicable provisions of SEBI SAST Regulations, 2011.

3.1.3 A summary of some of the salient features of the Share Purchase Agreement, which are all subject to detailed terms in the Share Purchase Agreement (“SPA”) is as follows:

- a. The Acquirers has agreed to purchase from the Sellers 19,18,333 equity shares (sale shares) of Rs.10/-each being 57.48% of the total issued, subscribed, paid-up and voting capital of the Target Company at a price of Rs.2/- per equity share payable in cash.
- b. The SPA is subject to the compliances of provisions of SEBI SAST Regulations, 2011 and in case of non-compliances with the provisions of SEBI SAST Regulations, 2011; the SPA shall not be acted upon.
- c. The acquisition of the SPA Shares by the Acquirers will result in change in control of the Target Company. The Target Company being a listed entity, the Acquirers shall be responsible for complying with the requirements of the SEBI (SAST) Regulations in relation to the offer to the public shareholders.
- d. The Sale Shares held by the Sellers are in dematerialized form, physical form and are free from any lien, claim, pledge, charge, mortgage and encumbrance as on the date of the Agreement. The Sale Shares shall be transferred to Acquirers post completion of Offer Period.
- e. The purchase consideration will be paid by the Acquirers to the Sellers:

Particulars	Amount (In Rs.)	Mode of Payment	Time of Payment
Initial Payment	50% of Total Purchase Consideration	Cheque/ Bank Transfer	Upon execution of this Agreement
Balance Payment	Balance 50% of Total Purchase consideration	Cheque/ Bank Transfer	On completion of Open Offer

For further details of SPA, Public Shareholders of the Target Company may refer to the SPA, which would be available to them for inspection at the office of the Manager to the Offer.

- 3.1.4 The Acquirers does not hold any Equity Shares in the Target Company as on date.
- 3.1.5 There is no separate arrangement for the proposed change in control of the Target Company except for the terms as mentioned in SPA.
- 3.1.6 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.
- 3.1.7 The Acquirers will, subsequent to successful completion of this Open Offer or in accordance with Regulation 22(2) of SEBI (SAST) Regulations, reconstitute the Board of Directors of the Target Company. The Acquirers has not decided the names of persons who may be appointed on the Board of Directors of the Target Company.
- 3.1.8 As per Regulations 26(6) and 26(7) of the SEBI SAST Regulations, 2011, the Board of Directors of the Target Company is required, upon receipt of the Detailed Public Statement, to constitute a Committee of Independent Directors to provide their reasoned recommendations on the Offer. The reasoned recommendations are required to be published in the same newspapers in which the Detailed Public Statement was published by no later than 8<sup>th</sup> May, 2020, and simultaneously a copy of such recommendations is required to be sent to SEBI, the Stock Exchange and to the Manager to the Offer.
- 3.1.9 This Open Offer is not pursuant to any open market purchase or a global acquisition resulting in an indirect acquisition of the Equity Shares.
- 3.1.10 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 promoter subject to the approval of the shareholders of the Target Company in accordance with Regulation 31A of the SEBI LODR Regulations.

### 3.2 **Details of the Proposed Offer**

- 3.2.1 A Public Announcement as per Regulation 13(1) and 15(1) of SEBI SAST Regulations, 2011 was made on 12<sup>th</sup> March, 2020.
- 3.2.2 A Detailed Public Statement as per Regulation 14(3) of SEBI SAST Regulations, 2011 pursuant to Public Announcement made by the Acquirers has appeared in the following Newspapers, on 19th March, 2020

<b>Name of the Newspaper</b>	<b>Edition</b>
Financial Express	English National Daily
Mumbai Lakshadeep	Mumbai
Jansatta	Hindi National Daily

- 3.2.3 A copy of the PA and DPS for the Open Offer is also available on the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in))
- 3.2.4 This Offer is being made by the Acquirers, in accordance with Regulation 3(1) and Regulation 4 of the SEBI SAST Regulations, 2011, to the Public Shareholders of the Target Company, to acquire up to 8,67,785 Equity Shares (“**Offer Shares**”), constituting 26.00% of the issued, subscribed, paid-up and voting share capital of the Target Company at a price of Rs.2/- (Rupees Two only) (“**Offer Price**”) aggregating to Rs.17,35,570/- (Rupees Seventeen Lakhs Thirty Five Thousands Five Hundred Seventy only) (“**Offer Consideration**”). The Offer Price will be payable

in cash by the Acquirers, in accordance with the provisions of Regulation 9(1)(a) of the SEBI SAST Regulations, 2011.

- 3.2.5 This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI SAST Regulations, 2011 and there is no competing offer.
- 3.2.6 The Open Offer is unconditional and not subject to any minimum level of acceptance from the shareholders of the Target Company, in terms of Regulation 19(1) of the SEBI SAST Regulations, 2011.
- 3.2.7 The Acquirers confirms that there are no persons acting in concert with her in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations, 2011 and the equity shares tendered and accepted pursuant to the Offer will be acquired by the Acquirer-1 only.
- 3.2.8 The Manager to the Offer, ISK Advisors Private Limited does not hold any Equity Shares in the Target Company as at the date of PA. 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.
- 3.2.9 The Acquirers have not acquired any Shares in the Target Company after the date of PA i.e. 12<sup>th</sup> March, 2020, up to the date of this draft Letter of Offer.
- 3.2.10 All Equity Shares validly tendered by the Public Shareholders will be acquired by the Acquirer-1 in accordance with the terms and conditions contained in the DPS and this Draft Letter of Offer. In the event that the Equity Shares validly tendered in the Open Offer by the Public Shareholders are more than the Offer Size, the acquisition of Equity Shares from each Public Shareholder will be on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.
- 3.2.11 Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of Sale Shares in accordance with the SPA, the Acquirers, will hold 27,68,118 Equity Shares constituting 83.48% of the issued, subscribed, paid up and voting capital of the Target Company. As per Regulation 38 of SEBI LODR Regulations read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (“SCRR”), the Target Company is required to maintain at least 25% public shareholding, on a continuous basis for listing. If, pursuant to this Open Offer, the public shareholding in the Target Company reduces below the minimum level required as per the listing agreement entered into by the Target Company with BSE and read with Rule 19A of the SCRR, the Acquirers hereby undertake that her shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.

### 3.3 **Object of the Acquisition**

- 3.3.1 The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.
- 3.3.2 After the completion of this Open Offer and pursuant to the acquisition of shares under SPA, the Acquirers will hold the majority of Equity Shares by virtue of which the Acquirers shall be in a position to exercise effective control over the management and affairs of Target Company.
- 3.3.3 The object of acquisition is to acquire substantial shares/voting rights accompanied with change in management and control of the Target Company. The Acquirers reserves the right to modify the present structure of the business in a

manner which is useful to the larger interest of the shareholders. Any change in the structure that may be carried out, will be in accordance with the laws applicable.

3.3.4 The Acquirers has no plans to alienate any significant assets of the Target Company 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, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI SAST Regulations, 2011.

#### 4. **BACKGROUND OF THE ACQUIRERS**

4.1 **RONIT CHAMPAKLAL SHAH ("the Acquirer -1)**, aged about 29 years, S/O. Champak Amratlal Shah, is an Indian Citizen. He is an undergraduate.

4.2 He has 7 years working experience in the Chemical industry, Trading in Pigments, Dyestuff & Intermediates, Export & Domestic Sales and Marketing.

4.3 He is presently Partner & Director in following firms/company as on date:

- Chamunda Industries
- Anmol Chloro Chem (Gujarat)
- Parag Duestuff
- Jasmaa Chem.
- Swastik Infra
- Champak Chemical Private. Limited

4.4 The Acquirer-1 confirms that partnership firms or company in which he is associated are not participating or interested or acting in concert in this Open Offer.

4.5 The address of the Acquirer-1 is C-302, 4<sup>th</sup> Floor, Shilalekh Apartment, opposite Police Stadium, Shahibaug, Ahmedabad – 380004.

4.6 CA. Shreyansh Shah, Partner of Rushabh Shreyansh & Co, (FRN:131457W& Membership No.137984) having office at 208, Chanakya Complex, B/h. Sales India, Income Tax, Ashram Road, Ahmedabad – 380009, has certified vide certificate dated 13<sup>th</sup> March, 2020 that the Net-Worth of Mr. Ronit Champaklal Shah as on 31<sup>st</sup> December, 2019 is Rs.211.11 Lakhs (Rupees Two Crores Eleven Lakhs Eleven thousand only).

4.7. The Acquirer-1 confirms that

- He doesn't belong to any group.
- As on the date of this letter of offer, he does not hold equity shares in the Target Company and is not related to the Promoters, Directors or key employees of the Target Company in any manner.
- He has not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of the SEBI Act, 1992 as amended ("SEBI Act") or under any other regulation made under the SEBI Act.
- There are no persons acting in concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations, 2011.
- He is not categorized as a willful defaulter in terms of Regulation 2(1)(ze) of the SEBI SAST Regulations, 2011.
- He does not have interest in other partnership firm or companies other than mentioned above.

- 4.8. **KALPANABEN CHAMPAKLAL SHAH (“the Acquirer-2)**, aged about 50 years, W/O. Champak Amratlal Shah, is an Indian Citizen. She is an undergraduate.
- 4.9. She is presently partner in following firms as on date:
- Matrushakti Industries
  - Shah & Shah Real Estate LLP
- 4.10. The Acquirer-2 confirms that partnership firms in which she is associated are not participating or interested or acting in concert in this Open Offer.
- 4.11. The address of the Acquirer-2 is C-302, 4<sup>th</sup> Floor, Shilalekh Apartment, opposite Police Stadium, Shahibaug, Ahmedabad – 380004.
- 4.12. CA. Shreyansh Shah, Partner of Rushabh Shreyansh & Co, (FRN:131457W& Membership No.137984) having office at 208, Chanakya Complex, B/h. Sales India, Income Tax, Ashram Road, Ahmedabad – 380009, has certified vide certificate dated 13<sup>th</sup>March, 2020 that the Net-Worth of Mrs. Kalpanaben Champaklal Shah as on 31<sup>st</sup> December, 2019 is Rs.214.52 Lakhs (Rupees Two Crores Fourteen Lakhs Fifty Two thousand only).
- 4.13. The Acquirer-2 confirms that
- She doesn’t belong to any group.
  - As on the date of this letter of offer, She does not hold equity shares in the Target Company and is not related to the Promoters, Directors or key employees of the Target Company in any manner.
  - She has not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of the SEBI Act, 1992 as amended (“SEBI Act”) or under any other regulation made under the SEBI Act.
  - There are no persons acting in concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations, 2011.
  - She is not categorized as a willful defaulter in terms of Regulation 2(1)(ze) of the SEBI SAST Regulations, 2011.
  - She does not have interest in other partnership firm or companies other than mentioned above.
- 4.14. **ROMIT CHAMPAKLAL SHAH (“the Acquirer-3)**, aged about 27 years, S/O. Champak Amratlal Shah, is an Indian Citizen. He is an undergraduate.
- 4.15. He has 5 years working experience in the Chemical Industry.
- 4.16. He is presently partner & director in following firm/company as on date:
- Meera Dyestuff Industries
  - Parag Dyestuff
  - Gujarat Dye Chem Industries
  - Jay Chloro Chem Private Limited
- 4.17. The Acquirer-3 confirms that partnership firms or company in which he is associated are not participating or interested or acting in concert in this Open Offer.
- 4.18. The address of the Acquirer-3 is C-302, 4<sup>th</sup> Floor, Shilalekh Apartment, opposite Police Stadium, Shahibaug, Ahmedabad – 380004.
- 4.19. CA. Shreyansh Shah, Partner of Rushabh Shreyansh & Co, (FRN:131457W& Membership No.137984) having office at 208, Chanakya Complex, B/h. Sales India, Income Tax, Ashram Road, Ahmedabad – 380009, has certified vide certificate dated 13<sup>th</sup>March, 2020 that the Net-Worth of Mr. Romit Champaklal Shah as on 31<sup>st</sup> December, 2019 is Rs.25.65 Lakhs (Rupees Twenty Five Lakhs Sixty Five thousand only).

4.20. The Acquirer-3 confirms that

- He doesn't belong to any group.
- As on the date of this letter of offer, he does not hold equity shares in the Target Company and is not related to the Promoters, Directors or key employees of the Target Company in any manner.
- He has not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of the SEBI Act, 1992 as amended ("SEBI Act") or under any other regulation made under the SEBI Act.
- There are no persons acting in concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations, 2011.
- He is not categorized as a willful defaulter in terms of Regulation 2(1)(ze) of the SEBI SAST Regulations, 2011.
- He does not have interest in other partnership firm or companies other than mentioned above.

## 5. **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)

- 5.1 IEL Limited (CIN: L15140MH1956PLC009720) was originally incorporated as Indian Extraction Limited was incorporated on sixth day of February, 1956 under the Indian Companies Act of 1956. The Company has changed its name from ""Indian Extractions Limited"" to ""IEL Limited"" w.e.f. 21.01.2019. The CIN of the Target Company is L15140MH1956PLC009720.
- 5.2 The registered office of IEL is situated at Nanavati Mahalaya, 18, Homi Mody Street, Fort, Mumbai – 400001.
- 5.3 The main objects of the Target Company as per the Memorandum of Association are as under:
- 5.3.1 To carry on the business of or enterprise as a manufacturers, traders, processors, job workers, dealers, contractors, refiners, fabricators, converters, importers, exporters, buyers, sellers, retailers, suppliers, stockiest, agents, merchants and distributors of all or any kinds of chemicals and its intermediates, pharmaceuticals, drug intermediates, medicinal products, industrial products, healthcare products, surgical products, commodity products, solvent extraction or edible oil products, foods or any nature of edible products or any other kind of industrial or consumer products and related articles.
- 5.3.2 To carry on the business or trade or activities of providing services in the areas of warehousing, leasing, renting, hire-purchase, market support services, distributors, information technology consultancy or related products, health or medical services, business support services, advisory or research services in any field, industrial or project consultancy and outsourcing activities of any nature.
- 5.4 The Authorized Share Capital of IEL as on December 31, 2019 is Rs.900 lakhs, comprising of 50,00,000 equity shares of Face Value Rs.10 (Rupees Ten Only) each and 400,000 Zero Coupon Redeemable Preference Shares of Rs. 100/- each. The issued, subscribed, paid-up and voting share capital of IEL as on date stands at Rs.423.76 lakhs comprising of 33,37,633 fully paid up equity share of Face Value of Rs.10 (Rupees Ten only) each and 90,000 Zero Coupon Redeemable preference shares of Face Value Rs.100 (Rupees One Hundred only) each .
- 5.5 The equity shares of IEL are listed on BSE (Security ID: INDXTRA, Security Code: 524614), ISIN: INE056E01016.
- 5.6 There are currently no outstanding partly paid up shares or any other instruments convertible into Equity Shares of the Target Company at a future date.

5.7 The equity shares of IEL are infrequently traded on BSE in terms of Regulation 2(1)(j) of SEBI SAST Regulations, 2011.

5.8 The Share Capital of the Target Company is as follows:

Share Capital of the Company	Total Capital (Rs.)	% of shares/ voting rights
Fully Paid up equity Shares of Rs.10/- each	3,33,76,330/-	100
Full Paid up Zero Coupon Redeemable Preference Shares of Rs.100/- each	90,00,000/-	----
<b>Total</b>	<b>4,23,76,330/-</b>	<b>100</b>

5.9 The Board of Target Company as on the date of this Draft Letter of Offer, comprises of 5 (Five) Directors.

Name & Designation	DIN	Date of Appointment	Residential Address
Priyam Shantilal Jhaveri Managing Director	00045038	04/09/2008	Printemps,4th Floor 26,B.G.Kher Marg Shayadri House, Malabar Hill, Mumbai-400006
Gayatri Priyam Jhaveri Director	00046145	08/08/2014	Printemps,4th Floor 26,B.G.Kher Marg , Shayadri House, Malabar Hill, Mumbai-400006
Ankur Mahendra Maneck Director	00197283	27/01/2003	4 Suyog, Dr. Purandare Wadi, Gokhale Road, North Dadar West, Bhawani Shankar, Mumbai- 400028
Amit Bansilal Shah Independent Director	00197377	27/01/2003	54/B, Mahant Krupa,16,Manish Nagar, J.P. Road, Opp. Manish Nagar, Shopping Centre, Four Bungalows, Andheri West, Mumbai 400053
Kavin Dineshkumardave Independent Director	00926054	05/11/2015	G-204, Indraprastha-5,Near Surdhara Bungalows-2, Prahlad Nagar, Ahmedabad -380015

5.10 There has not been any merger/demerger, spin off during last three years involving the Target Company.



- 5.11 The trading of Equity Shares of the Target Company has not been suspended on the BSE where Equity Shares of the Target Company are listed in last three years.
- 5.12 There are no directions subsisting or proceedings pending against the Target Company under SEBI Act, 1992 and Regulations made thereunder. Further, there are no directions subsisting or proceedings pending against the Target Company by any sectoral regulator and no statutory approvals are pending.
- 5.13 As of this date of this Draft Letter of Offer, all the Equity Shares of the Target Company are listed on BSE.
- 5.14 Brief audited financials for the years ending March 31, 2019, 2018 and 2017 and unaudited financials (subjected to limited review) for Quarter-3 ended 31<sup>st</sup> December, 2019 are as follows:-

<b>PROFIT &amp; LOSS STATEMENT</b>				(Rs. Lakhs)
<b>Particulars</b>	<b>Quarter 3 Ended 31st December 2019</b>	<b>Year Ended 31<sup>st</sup> March</b>		
		<b>2019</b>	<b>2018</b>	<b>2017</b>
Income from Operations	300.99	211.67	125.51	-
Other Income	16.23	21.36	20.40	20.43
<b>Total Income</b>	<b>317.22</b>	<b>233.03</b>	<b>145.91</b>	<b>20.43</b>
Total Expenditure (Excl. Interest, Depreciation & Taxes)	306.36	222.48	141.69	32.38
Depreciation	6.75	9.30	9.73	10.37
Finance Costs		-	1.34	-
<b>Profit Before Tax, Exceptional &amp; extraordinary Items</b>	<b>4.11</b>	<b>1.25</b>	<b>(6.85)</b>	<b>(22.31)</b>
Exceptional & Extraordinary Items	-	11.00	-	-
<b>Profit Before Tax and After Exceptional &amp; extraordinary Items</b>	<b>4.11</b>	<b>12.25</b>	<b>(6.85)</b>	<b>(22.31)</b>
Provision for Tax	-	-	-	-
<b>Profit/(loss) after tax</b>	<b>4.11</b>	<b>12.25</b>	<b>(6.85)</b>	<b>(22.31)</b>

<b>BALANCE SHEET</b>				(Rs. Lakhs)
<b>Particulars</b>	<b>Quarter 3 Ended 31st December 2019</b>	<b>Year Ended 31<sup>st</sup> March</b>		
		<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Sources of funds</b>				
Paid up Equity Share Capital	333.76	333.76	333.76	333.76
Reserves & Surplus	(170.11)	(174.22)	(186.47)	(179.62)
<b>Net Worth</b>	<b>163.65</b>	<b>159.54</b>	<b>147.29</b>	<b>154.14</b>
Secured loans	90.00	90.00	90.00	90.00
Unsecured loans	1.00	1.00	1.00	1.00
<b>Total</b>	<b>254.65</b>	<b>250.54</b>	<b>238.29</b>	<b>245.14</b>
<b>Application of Funds</b>				
Net Fixed Assets	373.21	379.96	389.26	398.99
Net Current Assets	(118.56)	(129.42)	(150.97)	(149.62)
Long Term Loans & Advances	-	-	-	4.23
<b>Total</b>	<b>254.65</b>	<b>250.54</b>	<b>238.29</b>	<b>253.61</b>

<b>OTHER FINANCIAL DATA</b>				
<b>Particulars</b>	<b>Quarter 3 Ended 31st December 2019</b>	<b>Year Ended 31<sup>st</sup> March</b>		
		<b>2019</b>	<b>2018</b>	<b>2017</b>
Earnings per share (Rs.)	0.12*	0.37	(0.21)	(0.67)
Return on Net Worth (%)	0.03*	0.08	(0.05)	(0.14)
Book Value per Share (Rs.) (Excluding Revaluation Reserve from Reserves & Surplus)	(6.24)	(6.36)	(6.97)	(7.01)
* Not Annualised				

5.15 Pre and Post-Offer shareholding pattern of the IEL is as per the following table:

Sr. No.	Shareholders Category	Shareholding & voting rights prior to the agreement/acquisition and offer		Shareholding & Voting rights acquired through SPA		Shareholding & Voting rights acquired in open offer (assuming full acceptance)		Shareholding & Voting rights after the acquisition and offer	
		No.	%	No.	%	No.	%	No.	%
1	<b>Promoters Group</b>								
	<b>a. Parties to agreement</b>								
	- Priyam Shantilal Jhaveri	4,97,000	14.89%	-4,97,000	-14.89%	-	-	-	-
	- Shantilal Bhogilal Jhaveri	11,46,900	34.36%	-11,46,900	-34.36%	-	-	-	-
	- Gayatri Priyam Jhaveri	90,000	2.70%	-90,000	-2.70%	-	-	-	-
	- Sonera Priyam Hjaveri	30,000	0.90%	-30,000	-0.90%	-	-	-	-
	- Nanavati Speicality Chemicals Private Limited	1,51,433	4.54%	-1,51,433	-4.54%	-	-	-	-
	- Preetaben M. Sonawala	3,000	0.09%	-3,000	-0.09%	-	-	-	-
	<b>Sub Total (a)</b>	<b>19,18,333</b>	<b>57.48%</b>	<b>-19,18,333</b>	<b>-57.48%</b>	-	-	-	-
	<b>b. Parties other than (a)</b>								
	- Dinesh Bhogilal	1,30,000	3.89%	-	-	-	-	1,30,000	3.89%
	- Jhaveri Pradeep Ramniklal	75,000	2.25%	-	-	-	-	75,000	2.25%
	- Jhaveri Kusumben Ramniklal	50,000	1.50%	-	-	-	-	50,000	1.50%
	- Jhaveri Kusumben Ramniklal	20,000	0.60%	-	-	-	-	20,000	0.60%
	<b>Sub Total (b)</b>	<b>2,75,000</b>	<b>8.24%</b>	-	-	-	-	<b>2,75,000</b>	<b>8.24%</b>
	<b>Total (a+b)</b>	<b>21,93,333</b>	<b>65.72%</b>	<b>-19,18,333</b>	<b>-57.48%</b>	-	-	<b>2,75,000</b>	<b>8.24%</b>
2	<b>Acquirers</b>								
	a. Ronit C. Shah	-	0.00%	6,39,573	19.16%	8,67,785	26.00%	15,07,358.00	45.16%
	b. Kalpanaben C. Shah	-	0.00%	6,39,380	19.16%	-	-	6,39,380.00	19.16%
	c. Romit C. Shah	-	0.00%	6,39,380	19.16%	-	-	6,39,380.00	19.16%
	<b>Total</b>	-	<b>0.00%</b>	<b>19,18,333</b>	<b>57.48%</b>	<b>8,67,785</b>	<b>26.00%</b>	<b>27,86,118</b>	<b>83.48%</b>
3	<b>Public (other than 1 &amp; 2)</b>								
	a. Insitutions (Mutual Funds / FIs/ Fis/ Banks)	4,300	0.13%	-	-	-8,67,785	-26.00%	2,76,515.00	8.28%
	b. Others	11,40,000	34.16%	-	-	-	-	-	-
	<b>Total</b>	<b>11,44,300</b>	<b>34.28%</b>	-	-	<b>-8,67,785</b>	<b>-26.00%</b>	<b>2,76,515</b>	<b>8.28%</b>
	<b>Grand Total</b>	<b>33,37,633</b>	<b>100.00%</b>	-	-	-	-	<b>33,37,633</b>	<b>100.00%</b>

5.16 The number of shareholders in IEL in public category is 2,402 as on 31st December, 2019.

#### 5.17 Compliance Officer

Mr. Arpit J. Vyas,

Company Secretary and cum Compliance Officer

“IEL Limited”

Nanavati Mahalaya, 18, Homi Mody Street,

Fort, Mumbai – 400001

Tel: 022-2204 4422; Email: iel@nanavatigroup.com; Website: www.nanavatigroup.com

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 Justification of offer price

6.1.1 The equity shares of the Target Company are listed on BSE.

6.1.2 The trading turnover in the equity shares of the Target Company on BSE, during the twelve calendar months preceding the month in which the PA was issued (i.e., March, 2019 to February, 2020) is given below:-

Name of the Exchange	Traded turnover of equity shares of the Target Company during the Twelve Months period ("A")	Total Number of Equity Shares listed ("B")	Total Turnover % (A/B)
BSE	27,561	33,37,633	0.82

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

Based on the above, the equity shares are infrequently trade in terms of Regulation 2(1)(j) of the SEBI SAST Regulations, 2011.

6.1.3 The Offer Price of Rs.2/- per equity share is justified in terms of Regulation 8(2) of the SEBI SAST Regulations, 2011 being the highest of the following:

a.	the highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer;	Rs.2/-
b.	the volume-weighted average price paid or payable for acquisitions, whether by the acquirers or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement	Not Applicable*
c.	The highest price per Equity Share paid or payable for any acquisition by the Acquirers or by any person acting in concert with him during the 26 (twenty-six) weeks immediately preceding the date of the PA,	Not Applicable*
d.	The volume-weighted average market price per Equity Share for a period of 60 (sixty) trading days immediately preceding the date of the PA as traded on the BSE	Not applicable**
e.	Other financial parameters as at 31-Dec-2019	
	Return on Net-Worth (%)	0.03 <sup>#</sup>
	Book Value per Share (Rs.)	(6.24)
	Earnings Per Share (Rs.)	0.12 <sup>#</sup>

\* The Acquirers has not acquired any Equity Shares in the Target Company.

\*\* Shares are infrequently traded.

# Not Annualised

As per CA Jigar Shah, Registered Valuer, Registered No:IBBI/RV/06/2019/10657 having office at B/801 Gopal Palace, Near. Shiromani Complex, Nehrunagar, Ahmedabad – 380006 the fair value of the equity shares of Target Company is Rs.1/- per share.

- 6.1.4. In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs.2/- (Rupees Two only) per fully paid-up equity share is justified in terms of Regulation 8 of the SEBI SAST Regulations, 2011.
- 6.1.5. As on date, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers shall comply with Regulation 18 and all the provisions of SEBI SAST Regulations, 2011 which are required to be fulfilled for the said revision in the Offer Price or Offer Size.
- 6.1.6. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.
- 6.1.7. If the Acquirers acquire equity shares of the Target Company during the period of twenty-six weeks after the tendering period at the price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI SAST Regulations, 2011 or pursuant to SEBI (Delisting of Equity Shares), Regulations, 2009 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.
- 6.1.8. If the Acquirers acquires or agrees to acquire any equity shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price pursuant to future purchases / competing offers shall stand revised to the highest price paid or payable for any such acquisition in terms of regulation 8(8) of SEBI SAST Regulations, 2011. Provided that no such acquisition shall be made after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.

## 6.2 Details of Financial Arrangements:

- 6.2.1. The maximum consideration payable by the Acquirers to acquire 8,67,785 fully paid-up equity shares at the Offer Price of Rs.2/- (Rupees Two only) per equity share, assuming full acceptance of the Offer would be Rs.17,35,570/- (Rupees Seventeen lakhs Thirty Five Thousand Five Hundred Seventy only) (the **“Offer Consideration”**).
- 6.2.2. The Acquirers confirms that he has made firm financial arrangements for fulfilling her payment obligations under this Offer in terms of Regulation 25(1) of the SEBI SAST Regulations, 2011 and the Acquirers is able to implement this Offer. CA. Shreyansh Shah, Partner of Rushabh Shreyansh & Co, (FRN:131457W & Membership No.137984) having office at 208, Chanakya Complex, B/h. Sales India, Income Tax, Ashram Road, Ahmedabad – 380009, has certified vide certificate dated 17<sup>th</sup> March, 2020, that the Acquirer-1 has made firm financial arrangements to meet her financial obligations under the Offer and has deposited the amount in Escrow Account opened for the said purpose. The source of funds for the Acquirer is internal sources and no funds are borrowed from Banks or Financial Institutions.
- 6.2.3. In accordance with Regulation 17 of the SEBI SAST Regulations, 2011, the Acquirers, Manager to the Offer and ICICI Bank Limited (**“Escrow Banker”**) have entered into an escrow agreement on 13<sup>th</sup> March, 2020. Pursuant to the escrow agreement, the Acquirers has opened an Escrow Account under the name and style of **“Ronit Shah Open Offer Escrow Account”** bearing account number 000405123324 with ICICI Bank and made therein a cash deposit of Rs.18,00,000/- (Rupees Eighteen Lakhs only) being more than 100% of the total consideration payable in the Open Offer, assuming full acceptance.
- 6.2.4. In accordance with Regulation 21 of the SEBI SAST Regulations, 2011, the Acquirers, Manager to the Offer and ICICI Bank Limited (**“Escrow Banker”**) have entered into an escrow agreement on 13<sup>th</sup> March, 2020. Pursuant to the escrow agreement, the Acquirers has opened a Special Escrow Account under the name and style of **“Ronit Shah Open Offer Special Escrow Account”** bearing account number 001105031460 with ICICI Bank.

- 6.2.5 The Acquirers has authorized the Manager to the Offer to operate the Escrow Account and Special Escrow Account in terms of the SEBI SAST Regulations, 2011.
- 6.2.6 Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI SAST Regulations, 2011.

## **7.0 TERMS AND CONDITIONS OF THE OFFER**

- 7.1.1 The Offer is not subject to any minimum level of acceptances from shareholders.
- 7.1.2 This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI SAST Regulations, 2011.
- 7.1.3 The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholder(s) of the Target Company (except the Acquirers and Sellers) whose name appear on the Register of Members and whose names appear on the beneficial records of the Depository Participant, at the close of business hours on 24<sup>th</sup> April, 2020 (“Identified Date”).
- 7.1.4 The Offer is subject to the terms and conditions set out in the Letter of Offer, the Form of Acceptance cum Acknowledgement, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.5 The acceptance of this Offer by the Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.1.6 Eligible persons can write to the Registrar to the Offer/Manager to the Offer requesting for the copy of the Letter of Offer. Alternatively, the Letter of Offer would also be available at SEBI’s website, [www.sebi.gov.in](http://www.sebi.gov.in).
- 7.1.7 Accidental omission to dispatch the Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.8 The shareholders to whom the Open Offer is being made are free to offer their Equity Shares in whole or in part while accepting the Open Offer.
- 7.1.9 The Public Shareholders who tender their Equity Shares under the Open Offer shall ensure that the Equity Shares are free and clear from all liens, charges, equitable interests and encumbrances and are tendered together with all rights attached thereto, including the rights to all dividends, bonus and rights offers, if any, declared thereafter and the tendering Public Shareholder shall have obtained any necessary consents (including any statutory approvals, if required) for it to sell the Equity Shares on the foregoing basis.
- 7.1.10 In terms of Regulation 18(9) of the SEBI SAST Regulations, 2011, the shareholders who have accepted this Open Offer by tendering the Equity Shares held by them and requisite documents in terms of the PA, DPS and Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for this Open Offer
- 7.1.11 The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgment constitute part of the terms of the Offer.

## **7.2 Locked in shares**

The Equity Shares of the Target Company are not subjected to lock in.

### 7.3 **Persons eligible to participate in the Offer**

All the Equity Shareholders registered or unregistered, (except Acquirers, persons deemed to be acting in concert with Acquirers and existing Promoters / Promoter Group of the Target Company) who own fully paid equity shares of the Target Company anytime before the closure of the Open Offer are eligible to participate in the Open Offer. However, the Letter of Offer is being dispatched / mailed to those Shareholders whose names appear on the Register of Members of the Target Company at the close of business hours on the Identified Date

7.4 There has been no revision in the Offer Price as of the date of this Draft Letter of Offer. Further revisions in the Offer Price for any reason including competing offers shall be done prior to the commencement of the last one working day before the commencement of the tendering period and will be notified to the Shareholders by (i) notification to the Stock Exchanges, SEBI and the Target Company at its registered office, and (ii) public announcement in the same newspapers in which the DPS has been published. Such revision would be done in compliance with other formalities prescribed under the SEBI SAST Regulations, 2011.

### 7.5 **Statutory and Other Approvals**

7.5.1 As of the date of this DPS, to the best of the knowledge of the Acquirers, there are no statutory approvals required by the Acquirers to acquire the equity shares tendered pursuant to this Offer other than an approval of the Reserve Bank of India, if any, for the acquisition of the Equity Shares from the non-resident shareholders (Non-Resident Indians (“NRIs”) or Overseas Corporate Bodies (“OCBs”)/Foreign Shareholders) of the Target Company. NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this 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. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserves the right to reject such Equity Shares tendered in this Offer.

7.5.2 However, in case of any statutory approvals being required by the Acquirers at a later date before the closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such approvals. The Acquirers will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI SAST Regulations, 2011.

7.5.3 In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Offer, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI SAST Regulations, 2011. Provided where the statutory approvals extend to some but not all equity shareholders, the Acquirers has the option to make payment to such shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer. Further, in case the delay occurs on account of willful default by the Acquirers in obtaining any statutory approvals in time, the amount lying in the Escrow Account will be liable to be forfeited and dealt with in the manner provided in clause (e) of sub-regulation (10) of Regulation 17 of SEBI SAST Regulations, 2011.

7.5.4 There are no conditions stipulated in the SPA between the Acquirers and Sellers, the meeting of which would be outside the reasonable control of the Acquirers and in view of which the offer may be withdrawn under Regulation 23 of SEBI SAST Regulations, 2011.

## 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1 All the shareholders, registered or unregistered, of the Target Company, except the Acquirers and the Sellers, owning equity shares any time before the date of Closure of the Offer, are eligible to participate in the Offer.
- 8.2 The Offer is made to the Public Shareholders as defined in this Letter of Offer. While the Letter of Offer shall be dispatched to the Public Shareholders of the Target Company whose name appears in the register of members of the Target Company as of the Identified Date, all Public Shareholders holding Equity Shares in dematerialised form are eligible to participate in the Offer at any time during the Tendering Period.
- 8.3 The Open Offer will be implemented by the Acquirers through a stock exchange mechanism made available by Stock Exchanges in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI SAST Regulations, 2011 and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016. The facility for acquisition of Equity Shares through the stock exchange mechanism pursuant to the Offer shall be available on the Stock Exchanges in the form of the Acquisition Window.
- 8.4 BSE shall be designated stock exchange for the purpose of tendering Equity Shares in the Open Offer.
- 8.5 The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE in the form of Acquisition Window.
- 8.6 The Acquirers have appointed Oswal Shares & Securities Limited (“**Buying Broker**”) for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the Tendering Period. The Contact details of the Buying Broker are as mentioned below:

**“Oswal Shares & Securities Limited”**  
**Address: 605, Sakar-1, Opp. Nehru Bridge,**  
**Ashram Road, Ahmedabad 380 009,**  
**Contact Person : Mr. Kalpesh Oswal, Contact No. +91-9825213932**

- 8.7 All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker**”), during the normal trading hours of the secondary market during the Tendering Period. The Acquisition Window will be provided by the Stock Exchange to facilitate placing of sell orders.

Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant). In the event Seller Broker(s) are not registered with BSE or NSE if the Shareholder does not have any stock broker then that Shareholder can approach any BSE or NSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE or NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. The Shareholder approaching BSE or NSE registered stock broker (with whom he does not have an account) may have to submit following details:

### 8.7.1 In case of Shareholder being an individual

- a. If Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:
- i. Central Know Your Client (CKYC) form including including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable
  - ii. Know Your Client (KYC) form Documents required (all documents self-attested):  
Bank details (cancelled cheque)
  - iii. Demat details (Demat Master /Latest Demat statement)
- b. If Shareholder is not registered with KRA: Forms required:
- i. CKYC form including FATCA, IPV, OSV if applicable
  - ii. KRA form



- iii. KYC form Documents required (all documents self-attested):
  - PAN card copy
  - Address Proof
  - Bank Details (cancelled cheque)
- iv. Demat Details (Demat master/ Latest Demat Statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

#### 8.7.2 In case of Shareholder is HUF

a. If Shareholder is registered with KRA: Forms required:

- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
- ii. KYC form documents required (all documents self-attested):
  - Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)

b. If Shareholder is not registered with KRA: Forms required:

- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
- ii. KRA form
- iii. Know Your Client (KYC) form Documents required (all documents self-attested):
  - PAN card copy of HUF & KARTA
  - Address proof of HUF & KARTA
  - HUF declaration
  - Bank details (cancelled cheque)
- iv. Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

#### 8.7.3 In case of Shareholder other than Individual and HUF:

a. If Shareholder is KRA registered: Form required

- i. Know Your Client (KYC) form Documents required (all documents certified true copy) Bank details (cancelled cheque)
- ii. Demat details (Demat master /Latest Demat statement)
- iii. FATCA, IPV, OSV if applicable
- iv. Latest list of directors/authorised signatories/partners/trustees
- v. Latest shareholding pattern
- vi. Board resolution
- vii. Details of ultimate beneficial owner along with PAN card and address proof
- viii. Last 2 years financial statements

b. If Shareholder is not KRA registered: Forms required:

- i. KRA form
- ii. Know Your Client (KYC) form Documents required (all documents certified true copy):
  - PAN card copy of company/ firm/trust
  - Address proof of company/ firm/trust
  - Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)
- iv. FATCA, IPV, OSV if applicable
- v. Latest list of directors/authorised signatories /partners/trustees

- vi. PAN card copies & address proof of directors/authorised signatories/partners/trustees
- vii. Latest shareholding pattern
- viii. Board resolution/partnership declaration
- ix. Details of ultimate beneficial owner along with PAN card and address proof
- x. Last 2 years financial statements
- xi. MOA/Partnership deed /trust deed

*It may be noted that, other than submission of above forms and documents, in person verification may be required.*

*It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.*

#### 8.8. Procedure for tendering shares held in Dematerialized Form.

- a) Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Offer.
- b) Shareholders shall submit delivery instruction slip (“DIS”) duly filled in specifying the appropriate market type in relation to the “Open Offer” and execution date along with all other details to their respective Selling Broker so that the shares can be tendered in the Offer.
- c) The Selling Broker would be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Offer using the Acquisition Window of BSE. Before placing the order/bid, the Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by the BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker. Upon placing the order, the Selling Broker shall provide TRS generated by the Stock Exchange bidding system to the holder of the Equity Shares.
- d) modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.
- e) 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.
- f) 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 the Stock Exchanges/ Clearing Corporation, before the opening of the Offer.
- g) Upon placing the order, the Selling Broker(s) shall provide 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 equity shares tendered etc.
- h) The public shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.
- i) The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the tendering period.
- j) In case any person has submitted the Equity Shares held in physical mode for conversion to demat form or dematerialisation, such Eligible 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.

**The Public Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement unless required by their respective Selling Broker.**

**8.9. Procedure to be followed by the registered Shareholders holding Equity Shares in physical form:**

As per the proviso to Regulation 40(1) of the SEBI LODR Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 and March 27, 2019 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form with a Depository. Therefore, the Shareholders desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized and are advised to approach the concerned DP to have their Equity Shares dematerialized.

**8.10. Procedure for Tendering the Shares in case of Non-Receipt of the Letter of Offer:**

- a) 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.
- b) A Shareholder may participate in the Offer by approaching their broker/Selling Broker and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Form of Acceptance cum Acknowledgement Form.
- c) The Letter of Offer along with Form of Acceptance cum Acknowledgement Form will be dispatched to all the Eligible Shareholders of the Target Company as appearing in the list of members of the Target Company as on the Identified Date. In case of non-receipt of the Letter of Offer, such Eligible Shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares.
- d) Alternatively, in case of non-receipt of the Letter of Offer, the Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of Equity Shares held, client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents as mentioned in the Letter of Offer. Such Shareholders have to ensure that their order is entered in the electronic platform of BSE which will be made available by BSE before the closure of the Tendering Period.

**8.11. Acceptance of Equity Shares**

- a) Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- b) In the event that the number of Equity Shares validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the 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 Shareholder shall not be less than the minimum marketable lot.

## 8.12. Settlement Process

- a) 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.
- b) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- c) Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favor of Clearing Corporation.
- d) For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Shareholders. If relevant Shareholders' bank account details are not available or if the funds transfer instruction are rejected by RBI / relevant bank due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- e) In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for onwards releasing the same to the relevant Shareholder's account. For this purpose, the client type details would be collected from the Registrar to the Offer.
- f) The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the Equity Shares under the Offer. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Shareholders would be returned to them by the Clearing Corporation.
- g) Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirers and the Manager to the Offer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Shareholders.
- h) Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under the Offer.
- i) 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 Acquirers. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- j) In case of delay in receipt of any statutory approval(s), SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approval, and subject to such terms and conditions as specified by SEBI (including payment of interest in accordance with Regulation 18(11) of the SEBI SAST Regulations, 2011 grant an extension of time to the Acquirers pending receipt of such statutory approval(s) to make the payment of the consideration to the Shareholders whose Equity Shares have been accepted in the Offer.

## **9. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection to the public shareholders of Target Company at the office of the Manager to the Offer, ISK Advisors Private Limited, Ahmedabad on any day (except Saturdays, Sundays and public holidays) between 10.30 a. m. to 2.00 p.m. during the period from the Date of Commencement of the Tendering Period till the Date of Closing of the Tendering Period.

1. Certificate of Incorporation, Memorandum and Articles of Association of the Target Company
2. Audited Financials of IEL Limited for the year ended 31<sup>st</sup> March, 2019, 2018, 2017, and unaudited financials (subjected to limited review) for the Quarter-3 ended on 31<sup>st</sup> December, 2019.
3. Certificate dated 13<sup>th</sup> March, 2020 issued by CA. Shreyansh Shah, Partner of Rushabh Shreyansh & Co, (FRN:131457W& Membership No.137984) having office at 208, Chanakya Complex, B/h. Sales India, Income Tax, Ashram Road, Ahmedabad – 3800009, certifying the Net-Worth of acquirers as on 31<sup>st</sup> December, 2019.
4. Certificate dated 17<sup>th</sup> March, 2020 issued by CA. Shreyansh Shah, Partner of Rushabh Shreyansh & Co, (FRN:131457W& Membership No.137984) having office at 208, Chanakya Complex, B/h. Sales India, Income Tax, Ashram Road, Ahmedabad – 3800009, certifying that the Acquirer has adequate financial resources to fulfill her obligations under this Offer.
5. Appointment Letter dated 9<sup>th</sup> March, 2020 between Lead Manager i.e. ISK Advisors Private Limited and the Acquirers.
6. Appointment Letter dated 13<sup>th</sup> March, 2020 between the Acquirers and Link Intime India Private Limited (Registrar to the Offer).
7. Appointment Letter dated 14<sup>th</sup> March, 2020 between the Acquirers and Oswal Shares & Securities Limited (Buying Broker to the Offer).
8. Copy of the SPA dated 12<sup>th</sup> March, 2020 among the Acquirers, Sellers and Target Company for acquisition of Equity Shares, which triggered the Open Offer.
9. Copy of Escrow Agreement amongst the Acquirers, ICICI Bank Limited and ISK Advisors Private Limited dated 13<sup>th</sup> March, 2020.
10. Copy of Letter dated 17<sup>th</sup> March, 2020 from ICICI Bank Limited confirming the cash deposit of Rs. 18,00,000/- (Rupees Eighteen Lakhs only) in the escrow account.
11. Copy of the Public Announcement dated 12<sup>th</sup> March, 2020 and published copy of the Detailed Public Statement dated 19<sup>th</sup> March, 2020.
12. Copy of the recommendation made by Committee of Independent Directors of the Target Company, as required under Regulation 26(7) of SEBI SAST Regulations, 2011.
13. SEBI Observation Letter dated [●], bearing reference number [●].

## **10. DECLARATION BY THE ACQUIRERS**

- 10.1 We have made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue. Further we confirm that the information contained in the Public Announcement, Detailed Public Statement and this draft Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions

expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. (other than information regarding the Sellers, the Target Company and information compiled from publicly available sources or provided by the Sellers and the Target Company, which has not been independently verified by the Acquirers or the Manager to the Offer).

The Acquirers also accept full responsibility for her obligations under the Open Offer and shall be responsible for the fulfillment of obligation as laid down in the SEBI SAST Regulations, 2011.

10.2 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.

1. Ronit C. Shah                    -/Sd/-
2. Kalpanaben C. Shah           -/Sd/-
3. Romit C. Shah                   -/Sd/-

Date: 26-03-2020

Place: Ahmedabad

Enclosed: Form of Acceptance-cum-Acknowledgment