

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer (LOF) is sent to you as Equity Shareholder(s) of CEINSYS TECH LIMITED (Formerly known as ADCC Infocad Limited) ("Target Company"). If you require any clarification 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 case you have recently sold your equity shares in the Target Company, please hand over this Letter of offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

BY

Mr. SAGAR MEGHE ("Acquirer 1"),

*Plot No. 135, Pandey Layout, Khamla, Nagpur - 440 025, Maharashtra, India.
Tel No: +91 9960584808*

Mr. SAMEER MEGHE ("Acquirer 2"),

*Plot No. 135, Pandey Layout, Khamla, Nagpur - 440 025, Maharashtra, India.
Tel No.: +91 9960403798*

Mrs. DEVIKA MEGHE ("Acquirer 3"),

*Plot No. 135, Pandey Layout, Khamla, Nagpur - 440 025, Maharashtra, India.
Tel No. +91 9765556556*

Mrs. VRINDA MEGHE ("Acquirer 4"),

*Plot No. 135, Pandey Layout, Khamla, Nagpur - 440 025, Maharashtra, India.
Tel No. +91 9765404008*

(hereinafter collectively referred to as the Acquirers)

To the Shareholder(s) of

CEINSYS TECH LIMITED

(Formerly known as ADCC INFOCAD LIMITED)

Registered Office: 10/5, I.T. Park, Nagpur – 440022, Maharashtra

Tel. No.: +91-712-3014100; **Fax No.:** +91-712-2249605;

Email Id: cs@ceinsys.com; **Website:** www.ceinsys.com

Corporate Identification Number: L72300MH1998PLC114790

To acquire up to 28,92,559 (Twenty Eight Lakhs Ninety Two Thousand Five Hundred Fifty Nine Only) equity shares of face value ₹10/- each at an Offer Price of ₹110/- each payable in cash, representing 26.02% of Fully Diluted Voting Equity Share Capital, as of the 10th working day from the closure of the tendering period of the Open Offer ("Offer") from the eligible shareholders of the Target Company.

ATTENTION:

1. This Offer is being made by the Acquirers pursuant to Regulations 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SEBI (SAST) Regulations**").
2. To the best of the knowledge of the Acquirers, as on date of this LOF, no statutory approvals are required for the purpose of this Offer, however, if any statutory approvals become applicable prior to the completion of the Offer, it will be subject to all such statutory approvals.
3. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations
4. This Offer is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations
5. **There has been no competing offer as on the date of this Letter of Offer.**
6. If there is any upward revision in the Offer Price or the number of equity shares sought to be acquired under the Offer by the Acquirers, at any time prior to the commencement of the last one working day before the commencement of the tendering period i.e. April 12, 2019 and the same would be informed by way of a public announcement in the same newspapers where the Detailed Public Statement was published. Such revision in the Open Offer Price would be payable by the Acquirers for all the shares validly tendered anytime during the Tendering Period of the Open Offer
7. **A copy of Public Announcement ("PA"), Detailed Public Statement ("DPS") and this Letter of Offer ("LOF") along with Form of Acceptance cum Acknowledgement is also available on SEBI's website: www.sebi.gov.in**

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
	
GALACTICO CORPORATE SERVICES LIMITED 2nd Floor, Shree Gurudeo Tower, Above Shirpur Co-op Bank Limited, Canada Corner, Nashik – 422005, Maharashtra, India; Tel. No.: +91- 253-2319714; Fax No.: +91- 253-2319714; Email id: info@galacticocorp.com ; Website: www.galacticocorp.com ; Investor Grievance: info@galacticocorp.com ; SEBI Registration Number: INM000012519; Contact Person: Vipul Lathi/Harshika Thakkar	BIGSHARE SERVICES PRIVATE LIMITED Bharat Tin Works Building, 1 st Floor, Opp. Vasant Oasis, Makwana Road Marol, Andheri (E), Mumbai - 400 059, Maharashtra, India Tel. No.: +91 - 22 - 62638200; Fax No.: +91 - 22 - 62638299; E-mail: ashok@bigshareonline.com ; Website: www.bigshareonline.com ; Investor Grievance: info@bigshareonline.com ; SEBI Registration Number: INR000001385; Contact Person: Mr. Ashok Shetty

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Activity	Day and Date (Original)	Day and Date (Revised)
Public Announcement	Wednesday, January 16, 2019	Wednesday, January 16, 2019
Publication of DPS in the newspapers	Tuesday, January 22, 2019	Tuesday, January 22, 2019
Filing of the DLOF with SEBI	Tuesday, January 29, 2019	Tuesday, January 29, 2019
Last date for a competitive bid	Tuesday, February 12, 2019	Tuesday, February 12, 2019
Last date for SEBI observations on DLOF (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Wednesday, February 20, 2019	Thursday, March 28, 2019
Identified Date*	Friday, February 22, 2019	Monday, April 01, 2019
Letter of Offer to be dispatched to shareholders	Friday, March 01, 2019	Monday April 08, 2019
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Thursday, March 07, 2019	Thursday, April 11, 2019
Last date for revising the Offer price/ number of shares	Friday, March 08, 2019	Friday, April 12, 2019
Date of publication of Offer Opening Public Announcement	Friday, March 08, 2019	Friday, April 12, 2019
Date of commencement of Tendering Period (Offer Opening Date)	Monday, March 11, 2019	Monday, April 15, 2019
Date of Expiry of Tendering Period (Offer Closing Date)	Monday, March 25, 2019	Tuesday, April 30, 2019
Last Date for completion of all requirements including payment of consideration	Monday, April 08, 2019	Wednesday, May 15, 2019

** The Identified Date is only for the purpose of determining the equity shareholders as on such date to whom the Letter of Offer ("LOF") would be mailed. It is clarified that all the equity shareholders of the Target Company (registered or unregistered), except the Acquirers and promoter group shareholders of the Target Company are eligible to participate in this Offer at any time prior to the closure of this Offer.*

RISK FACTORS

Given below are the risks related to the transaction, the Open Offer and the probable risk involved in association with the Acquirers.

i. Risk in association with the Offer

- As on the date of this LOF, to the best of the knowledge of the Acquirers, for the purpose of this Offer, no statutory approvals are required; however, it will be subject to all statutory approvals that may become applicable at a later date. The Acquirers reserve the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.
- In the event that:
 - (a) the regulatory approvals are not received in a timely manner; or
 - (b) there is any litigation to stay the Offer; or
 - (c) SEBI instructs the Acquirers not to proceed with the Offer,then the Offer proceeds may be delayed beyond the schedule of activities indicated in this LOF. Consequently, the payment of consideration to the eligible public shareholders whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirers may be delayed.
- In case of delay in receipt of any statutory approvals, 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.
- 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 equity 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 make 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.
- Equity shareholders should note that the equity shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period.
- In the event of over-subscription to the offer, the acceptance will be on a proportionate basis hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, DPS or this LOF or in the advertisements or other materials issued by, or at the instance of the Acquirers and the Manager to the Offer, and anyone placing reliance on any other source of information, would be doing so at his/her/their own risk.

ii. Risk in association with the Acquirers

- The Acquirers make no assurance with respect to financial performance of the Target Company.
- The Acquirers make no assurance with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- The Acquirers make no assurance of market price of shares of the Target Company during or after the Offer.
- The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the LOF/DPS/PA 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 not in relation to the present or future business or operations of Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the Offer. Equity shareholders of Target Company are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the Offer. Each equity shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such equity shareholder's participation in the Offer and related transfer of equity shares of the Target Company to the Acquirers.

CURRENCY OF PRESENTATION

In this LOF, all references to “₹” are to the reference of Indian Rupee(s) (“INR”). Throughout this LOF, all figures have been expressed in “Lac” unless otherwise specifically stated. In this LOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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1. DEFINITIONS/ABBREVIATIONS

Acquirer 1	Mr. Sagar Meghe
Acquirer 2	Mr. Sameer Meghe
Acquirer 3	Mrs. Devika Meghe
Acquirer 4	Mrs. Vrinda Meghe
Acquirers	Acquirer 1, Acquirer 2, Acquirer 3 and Acquirer 4, collectively referred to as Acquirers.
AOA	Articles of Association of the Target Company
Board of Directors	Board of Directors of the Target Company
BSE	BSE Limited, Mumbai
Buying Broker	AUM Capital Market Private Limited
CDSL	Central Depository Services (India) Limited
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/DP	Central Depository Services (India) Limited and National Securities Depository Limited
DLOF	The Draft Letter of Offer dated January 28, 2019
Detailed Public Statement/DPS	Detailed Public Statement dated January 21, 2019, issued by the Manager to the Offer, on behalf of the Acquirers, in relation to the Offer and published in all editions of Financial Express (English), in all editions of Jansatta (Hindi), in Mumbai & Nagpur Editions of Loksatta (Marathi) on January 22, 2019, in accordance with the Regulation 3(2) read with Regulations 13(4), 14(3) and 15(2) and other applicable regulations of the SEBI (SAST) Regulations.
Earnings Per Share / EPS	Profit After Tax available to equity shareholders / No. of Equity Shares
Equity 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 Equity Share Capital of the Target Company is ₹11,11,70,850 comprising of 1,11,17,085 Equity Shares of face value ₹10 each. <i>(Note: On March 29, 2019, the Target Company has allotted 26,645 Equity Shares pursuant to ADCC Employee Stock Option Plan, 2014)</i>
Escrow Agreement	Escrow Agreement entered between the Acquirers, Escrow Bank and Manager to the Offer.
Escrow Bank	IndusInd 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
Form of Acceptance/FOA	Form of Acceptance - cum – Acknowledgement
Fully Diluted Voting Equity Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis as of the 10th (Tenth) Working Day from the closure of the tendering period for the Offer is the same as the Equity Share Capital of the Target Company. <i>(Note: As on the date of PA, DPS & DLOF, the Company had 34785 outstanding convertible employee stock options out of which on March 29, 2019, 26,645 Equity Shares were allotted to eligible employees and 8,140 options have lapsed.)</i>
Identified Date	Monday, April 01, 2019
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015 and subsequent amendments thereof.
Letter of Offer/LOF	This Letter of Offer, duly incorporating SEBI's comments on the DLOF,

	including the Form of Acceptance-cum-Acknowledgement
Manager to the Offer	Galactico Corporate Services Limited
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
Offer/ Open Offer	The Offer being made by the Acquirers for acquiring upto 28,92,559 (Twenty Eight Lacs Ninety Two Thousand Five Hundred and Fifty Nine) equity shares representing 26.02% of the Fully Diluted Voting Equity Share Capital from the eligible shareholders at the Offer Price payable in cash.
Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is ₹31,81,81,490 (Rupees Thirty One Crore Eighty One Lac Eighty One Thousand Four Hundred and Ninety Only)
Offer Period	Period commencing from January 16, 2019 till the date on which the payment of consideration to the equity shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be.
Offer Price	₹110/- per equity share
Offer Size	28,92,559 (Twenty Eight Lacs Ninety Two Thousand Five Hundred and Fifty Nine) equity shares representing 26.02% of the Fully Diluted Voting Equity Share Capital of the Target Company
Public Announcement/PA	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirers on January 16, 2019 in accordance with the SEBI (SAST) Regulations.
RBI	Reserve Bank of India
Registrar to the Offer	Bigshare Services Private Limited
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendments thereto.
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
Target Company	Ceinsys Tech Limited having its registered office at 10/5, I.T. Park, Nagpur – 440 022, Maharashtra, India
Tendering Period	Monday, April 15, 2019 to Tuesday, April 30, 2019
Working Days	Working days of SEBI

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF 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 CEINSYS TECH LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S), PACs OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER(S) ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER(S) DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, GALACTICO CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 28, 2019 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THEOFFER

3.1 Background of the Offer

- 3.1.1 This Open Offer is being made by Acquirers to the equity shareholders of the Target Company in compliance with Regulations 3(2) of SEBI (SAST) Regulations for substantial acquisition of equity shares and voting rights. This Open Offer is being made to increase and consolidate the Promoter/Promoter Group holding in the Target Company which will result into effective management control over the Target Company.
- 3.1.2 The Acquirers are the members of the existing Promoter and Promoter Group of the Target Company. The total shareholding of the Promoter and Promoter Group was 62,09,051 Equity Shares of ₹10/- each representing 55.99% of the total paid-up Equity Share Capital of the Target Company as on March 31, 2018. As on the date preceding the date of the PA, the Promoter and Promoter Group collectively held 64,06,100 Equity Shares of ₹10/- each representing 57.77% of the total paid-up Equity Share Capital of the Target Company. This represents an increase of 1.77% in the Promoter and Promoter Group holding in a financial year. The Acquirers intend to consolidate their shareholding by further acquiring equity shares in the Target Company through market purchase which may exceed the stipulated threshold limit specified under Regulation 3(2) of SEBI (SAST) Regulations in a financial year and therefore in compliance of Regulation 3(2) of SEBI (SAST) Regulations this Open Offer is being made to the equity shareholders of the Target Company.
- 3.1.3 The individual holding of the Acquirers immediately preceding the date of Public Announcement are as given below:

Sr No.	Name of the Acquirer	Number of Shares held in the Target Company	% to total listed shares**
1.	Mr. Sagar Meghe	9,13,554*	8.24
2.	Mr. Sameer Meghe	9,19,289*	8.29
3.	Mrs. Devika Meghe	4,33,950*	3.91
4.	Mrs. Vrinda Meghe	4,32,300*	3.90

* Joint Shareholding with another person shown as a Part of that shareholder's holding, whose name appears first i.e. first holder.

**26,645 Equity Shares allotted on March 29, 2019, pursuant to ADCC Employee Stock Option Scheme, 2014, are in the process of getting listed with BSE and the same have not been included in the total listed shares above

- 3.1.4 During the financial year 2018-19, following acquisitions have been made by the Acquirers in the Target Company, from April 01, 2018 till date of PA i.e. January 16, 2019

Name of Acquirer	Opening Balance [#]	% to total listed shares	No. of shares Transacted	% to total listed shares	Highest price paid per share	Closing Balance [#]	% to total listed shares* *
Sagar Meghe	8,11,454	7.32	*1,02,100	0.92	108.26	9,13,554	8.24
Sameer Meghe	8,24,340	7.43	*94,949	0.85	107.00	9,19,289	8.29
Devika Meghe	4,33,950	3.91	-	-	-	4,33,950	3.91
Vrinda Meghe	4,32,300	3.90	-	-	-	4,32,300	3.90
Total 1 (Acquirers)	2,50,2044	22.56	1,97,049	1.77	-	26,99,093	24.34
Total 2 (Promoter Group other than Acquirers)	37,07,007	33.43	-	-	-	37,07,007	33.43
Total (1+2)	62,09,051	55.99	1,97,049	1.77	-	64,06,100	57.77

Joint Shareholding with another person, shown as a Part of that shareholders holding, whose name appears first i.e. first holder.

*During the 26 and 52 weeks immediately preceding the date of Public Announcement, Acquirer 1 has acquired 45,100; 25,000 & 32,000 Equity Shares of the Target Company at the price of ₹108.26; ₹90 & ₹99.14 respectively and Acquirer 2 has acquired 37,400; 26,001; 25,000 & 6,548 Equity Shares of the Target Company at the price of ₹107; ₹77.87; ₹90.00 & ₹99.20 respectively.

**26,645 Equity Shares allotted on March 29, 2019, pursuant to ADCC Employee Stock Option Scheme, 2014, are in the process of getting listed with BSE and the same have not been included in the total listed shares above.

- 3.1.5 On January 21, 2019, the Acquirers placed a purchase order with their broker to acquire upto 3,60,000 (Three Lakhs Sixty Thousand) Equity Shares representing upto 3.25% of paid-up equity share capital of the Target Company at a price of ₹102.05/- (Rupees One Hundred and Two and Five Paise Only) per Equity Share of Target Company, pursuant to which, the Acquirers agreed to acquire more than 5% of the paid-up equity share capital of the Target Company in one financial year ("**Purchase Order**"). Accordingly, this mandatory Offer is being made by

the Acquirers, in compliance with regulation 3(2) of the SEBI (SAST) Regulations.

- 3.1.6 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 3.1.7 None of the Acquirers have been prohibited by SEBI from dealing in securities, in terms of direction u/s 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.
- 3.1.8 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of Director of the Target Company will constitute a committee of independent directors that will provide its written reasoned recommendation on the Offer to the shareholders of the Target Company and such recommendations shall be published on Thursday, April 11, 2019, in the same newspaper where the DPS of the Offer was published.

3.2 Details of the proposed Offer

- 3.2.1 The Acquirers have published the DPS in the following newspapers:

Sr No.	Name of the Newspaper	Language	Edition
1.	Financial Express	English	All Editions
2.	Jansatta	Hindi	All Editions
3.	Loksatta	Marathi	Mumbai & Nagpur (Registered Office of the Target Company)

- 3.2.2 Acquirers are making this Open Offer in terms of Regulations 3(2) of SEBI (SAST) Regulations to acquire up to 28,92,559 Equity Shares of ₹10/- each representing 26.02% of the Fully Diluted Voting Equity Share Capital as of the 10th (tenth) working day from the closure of the tendering period subject to the terms and conditions set out in DPS and this Letter of Offer, at a price of ₹110/- each (Rupees One Hundred and Ten Only) payable in cash. These Equity Shares which are to be acquired by the Acquirers shall be free from liens, charges and encumbrances of any kind whatsoever.
- 3.2.3 To the best of the knowledge of the Acquirers, this Offer is not subject to the receipt of any Statutory Approvals; however, it will be subject to fulfillment of conditions as may become applicable as mentioned in Point 7 of this LOF.
- 3.2.4 As on the date of this LOF, there are no outstanding convertible employee stock options in the Target Company.
- 3.2.5 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 3.2.6 This Offer is not subject to any minimum level of acceptance. Further there is no differential pricing for this Offer.
- 3.2.7 Pursuant to the Purchase Order, the Acquirers have acquired 1,601 Equity Shares of the Target Company after the date of PA i.e. January 16, 2019, till the date of this LOF, in respect of which a disclosure under regulation 18(6) has been made.
- 3.2.8 The Acquirers have undertaken and confirmed that in compliance with the provisions of Regulation 22(2A) of the SEBI (SAST) Regulations, the Equity Shares acquired by them pursuant to the Purchase Order shall be kept in an Escrow Account until the expiry of the Offer Period. Further, they have not and shall not exercise any voting rights on the said Equity Shares.
- 3.2.9 Assuming full acceptance, the Offer will result in the Minimum Public Shareholding (“MPS”) of the Target Company to fall below 25%. In terms of Regulation 38 of the SEBI (LODR) Regulations, read with Rule 19A of the SCRR, if the MPS falls below 25% of the Fully Diluted Voting Share Capital of the Target Company, the Acquirers do hereby undertake to comply with the provisions of Regulation 7(4) of the SEBI (SAST) Regulations to maintain the MPS, within the time and in the manner specified in the SCRR and SEBI (LODR) Regulations.
- 3.2.10 Further, the Acquirers shall not be eligible to make a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2009, unless a period of twelve months have elapsed from the date of completion of the offer period as per regulation 7(5) of the SEBI (SAST) Regulations.
- 3.2.11 As on the date of this LOF, the Manager to the Offer and the Target Company have not received any Investor Complaints in relation this Open Offer.

3.3 Object of the acquisition/Offer

- 3.3.1 The Acquirers are a part of Promoter and Promoter Group of the Target Company and as on the date of this LOF and they hold 64,07,701 Equity Shares representing 57.64% of the Equity Share Capital of the Target Company. This Offer is being made by the Acquirers in compliance with Regulation 3(2) of the SEBI (SAST) Regulations, for acquisition of additional Equity Shares of the Target Company to consolidate their shareholding.
- 3.3.2 The Acquirers will continue the existing line of business of the Target Company and may diversify its business activities in future only with the prior approval of shareholders. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 2013, Memorandum and Articles of Association and all applicable laws, rules and regulations, the Board of Directors of the Target Company may take appropriate business decisions from time to time in order to improve the performance of the Target Company.
- 3.3.3 The Acquirers reserve the right to streamline/restructure its holding in the Target Company and/or the operations, assets, liabilities and/or business of the Target Company, through arrangements, reconstructions, restructurings, mergers, sale of assets or undertakings and/or renegotiation or termination of existing contractual/operating arrangements, at a later date. Such decisions will be taken in accordance with procedures set out by applicable law and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time and with approval of Board of Directors.
- 3.3.4 In terms of Regulation 25(2) of SEBI (SAST) Regulations, the Acquirers have declared their intention in the DPS that they may dispose-off or otherwise encumber any assets or investments of the Target Company, through sale, lease, reconstruction, restructuring (including but not limited to amalgamation and/or demerger with its group companies) and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalizing the assets, investments or liabilities of the Target Company and/or its subsidiaries, to improve operational efficiencies and for other commercial reasons. The Board of Directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company.

4. BACKGROUND OF THE ACQUIRERS

4.1 Mr. Sagar Meghe (Acquirer 1)

- 4.1.1 Mr. Sagar Meghe, S/o. Shri. Dattatraya Meghe, aged about 48 years, residing at Plot No. 135, Pande Layout, Khamla, Nagpur, 440025, Maharashtra, India. (PAN: ABYPM6079Q).
- 4.1.2 He is a Bachelor of Commerce from Nagpur University and he has 25 years of experience in Information Technology, Politics, Education and Socio Economical areas.
- 4.1.3 Acquirer 1 is the Chairman & Managing Director of the Target Company.
- 4.1.4 Acquirer 1 is a part of Promoter & Promoter group of the Target Company.
- 4.1.5 Acquirer 1 belongs to the Meghe group.
- 4.1.6 The details of the Companies where Acquirer 1 holds directorship are as follows:

Sr No.	Name of the Company	Listed/Unlisted
1	Ceinsys Tech Limited	Listed
2	Datta Agrovision Private Limited	Unlisted
3	Vidarbha Property Private Limited	Unlisted
4	Primus Finance Private Limited	Unlisted
5	ADCC Infocom Private Limited	Unlisted
6	ADCC Academy Private Limited	Unlisted
7	Meghe Education Foundation	Unlisted
8	Meghes Educational Institutions	Unlisted
9	Nagar Yuwak Shikshan Foundation	Unlisted
10	Vidhyarthi Sudhar Sangh Foundation	Unlisted
11	Perception Solutions Private Limited	Unlisted

- 4.1.7 Except as mentioned above, Acquirer 1 does not hold directorship in any other listed company. Further, Acquirer 1 is not a whole time director in any company.
- 4.1.8 As on the date of this LOF, he holds 9,15,155 equity shares in the Target Company representing 8.23% of the Equity Share Capital.
- 4.1.9 The Networth of Acquirer 1 as on September 30, 2018, is ₹60,22,72,562/- (Rupees Sixty Crores Twenty Two Lac Seventy Two Thousand Five Hundred and Sixty Two Only), and the same is certified by CA Amit Jain (Membership No. 405270), Partner of Amit Madhukar Jain & Co., Chartered Accountants (Firm Registration No. 013102C), having office at S-15, Dharampeth Towers, W.H.C. Road, Dharampeth, Nagpur-440010; vide certificate dated December 11, 2018.

4.2 Mr. Sameer Meghe (Acquirer 2)

- 4.2.1 Mr. Sameer Meghe, S/o. Shri. Dattatraya Meghe, aged about 40 years, residing at Plot No. 135, Pande Layout, Khamla, Nagpur, 440025, Maharashtra, India. (PAN: ABYPM6076B)
- 4.2.2 He holds a Bachelor's Degree in Commerce from Shobhit University, Meerut and has an experience of around 19 years in the Co-Operative Sector, Politics and Social work.
- 4.2.3 Acquirer 2 is a part of the Promoter & Promoter group of the Target Company.
- 4.2.4 Acquirer 2 belongs to the Meghe group.
- 4.2.5 The details of the Companies where Acquirer 2 holds directorship are as follows:

Sr No.	Name of the Company	Listed/Unlisted
1	Datta Agrovision Private Limited	Unlisted
2	Primus Finance Private Limited	Unlisted
3	ADCC Academy Private Limited	Unlisted
4	Meghe Education Foundation	Unlisted
5	Meghes Educational Institutions	Unlisted
6	Nagar Yuwak Shikshan Foundation	Unlisted
7	Vidhyarthi Sudhar Sangh Foundation	Unlisted

4.2.6 Acquirer 2 does not hold directorship in any listed company. Further, Acquirer 2 is not a whole time director in any company.

4.2.7 As on the date of this LOF, he holds 9,19,289 equity shares in the Target Company representing 8.27% of the Equity Share Capital.

4.2.8 The Networth of Acquirer 2 as on September 30, 2018, is ₹19,02,58,425/- (Rupees Nineteen Crores Two Lac Fifty Eight Thousand Four Hundred and Twenty Five Only), and the same is certified by CA Amit Jain (Membership No. 405270), Partner of Amit Madhukar Jain & Co., Chartered Accountants (Firm Registration No. 013102C), having office at S-15, Dharampeth Towers, W.H.C. Road, Dharampeth, Nagpur-440010; vide certificate dated December 11, 2018.

4.3 Mrs. Devika Meghe (Acquirer 3)

4.3.1 Mrs. Devika Meghe, W/o. Mr. Sagar Meghe, aged about 45 years, residing at Plot No. 135, Pande Layout, Khamla, Nagpur, 440025, Maharashtra, India. (PAN: ACPPM6520J)

4.3.2 She has completed her Higher Secondary Certification from Maharashtra State Board in year 1991 and has an experience of around 20 years in the field of Information Technology, Education and Socio Economical areas.

4.3.3 Acquirer 3 is a part of Promoter & Promoter group of the Target Company.

4.3.4 Acquirer 3 belongs to the Meghe group.

4.3.5 The details of the Companies where Acquirer 3 holds directorship are as follows:

Sr No.	Name of the Company	Listed/Unlisted
1	Datta Meghe Foundation	Unlisted
2	Vidarbha Property Private Limited	Unlisted

4.3.6 Acquirer 3 does not hold directorship in any listed company. Further, Acquirer 3 is not a whole time director in any company.

4.3.7 As on the date of this LOF, she holds 4,33,950 equity shares in the Target Company representing 3.9% of the Equity Share Capital.

4.3.8 The Networth of Acquirer 3 as on September 30, 2018, is ₹28,50,53,925/- (Rupees Twenty Eight Crores Fifty Lacs Fifty Three Thousand Nine Hundred and Twenty Five Only), and the same is certified by CA Amit Jain (Membership No. 405270), Partner of Amit Madhukar Jain & Co., Chartered Accountants (Firm Registration No. 013102C), having office at S-15, Dharampeth Towers, W.H.C. Road, Dharampeth, Nagpur-440010; vide certificate dated December 11, 2018.

4.4 Mrs. Vrinda Meghe (Acquirer 4)

4.4.1 Mrs. Vrinda Meghe, W/o. Mr. Sameer Meghe, aged about 40 years, residing at Plot No. 135, Pande Layout, Khamla, Nagpur, 440025, Maharashtra, India. (PAN: AFUPM4185R).

4.4.2 She holds a Bachelor's Degree in Arts from Nagpur University and has around 18 years of experience in the field of Information Technology, Education and Socio Economical areas.

4.4.3 Acquirer 4 is a part of Promoter& Promoter group of the Target Company.

4.4.4 Acquirer 4 belongs to the Meghe group.

4.4.5 The details of the Companies where the Acquirer 4 holds directorship are as follows:

Sr No.	Name of the Company	Listed/Unlisted
1	Datta Meghe Foundation	Unlisted

4.4.6 Acquirer 4 does not hold directorship in any listed company. Further, Acquirer 3 is not a whole time director in any company.

4.4.7 As on the date of this LOF, she holds 4,32,300 equity shares in the Target Company representing 3.89% of the Equity Share Capital.

4.4.8 The Networth of Acquirer 4 as on September 30, 2018, is ₹14,48,27,066/- (Rupees Fourteen Crores Forty Eight Lac Twenty Seven Thousand and Sixty Six Only), and the same is certified by CA Amit Jain (Membership No. 405270), Partner of Amit Madhukar Jain & Co., Chartered Accountants (Firm Registration No. 013102C), having office at S-15, Dharampeth Towers, W.H.C. Road, Dharampeth, Nagpur-440010; vide certificate dated December 11, 2018.

4.5 The Acquirers are persons acting in concert with each other for this Offer. Mrs. Devika Meghe is the wife of Mr. Sagar Meghe; Mrs. Vrinda Meghe is the wife of Mr. Sameer Meghe and Mr. Sagar Meghe and Mr. Sameer Meghe are brothers.

4.6 Shri Dattatraya Raghobaji Meghe, Raghav Infradevelopers and Builders Private Limited ("RIBPL") & SMG Hospitals Private Limited ("SHPL"), collectively hold 33.35%, of paid-up equity share capital of the Target Company. By virtue of the definition of Persons Acting in Concert ("PAC") as per Regulation 2(1)(q) of the SEBI (SAST) Regulations, Shri Dattatraya Raghobaji Meghe, RIBPL & SHPL are deemed PACs. Shri Dattatraya Raghobaji Meghe, RIBPL & SHPL vide letter dated January 14, 2019 have confirmed that they don't intend to participate in this offer directly or indirectly.

4.7 None of the Acquirers have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act and subsequent amendments thereto or under any other regulations made under the SEBI Act.

4.8 None of the Acquirers have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

4.9 None of the Acquirers are fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

5. BACKGROUND OF THE TARGET COMPANY - CEINSYS TECH LIMITED

- 5.1 The Target Company was originally incorporated on May 05, 1998, as “ADCC Cad Technology Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Subsequently, the name of the Company was changed to “ADCC Infocad Private Limited” vide a fresh Certificate of Incorporation dated August 03, 1999 issued by the Registrar of Companies, Maharashtra, Mumbai.
- 5.2 The Company was converted into a Public Company pursuant to shareholders’ Resolution passed at the Extra Ordinary General Meeting held on February 07, 2014 and the name of the Company was changed to “ADCC Infocad Limited” vide fresh Certificate of Incorporation dated July 04, 2014, issued by the Registrar of Companies, Maharashtra, Mumbai.
- 5.3 Subsequently the name of the Company was changed to “Ceinsys Tech Limited” pursuant to shareholders’ Resolution passed via Postal Ballot on August 04, 2017, vide fresh Certificate of Incorporation dated August 14, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai.
- 5.4 The Registered Office of the Target Company is situated at 10/5, I.T. Park, Nagpur – 440022 Maharashtra India.
- 5.5 The Corporate Identification Number of the Target Company is L72300MH1998PLC114790.
- 5.6 The Authorized Capital of the Target Company is ₹20,00,00,000/- (Rupees Twenty Crores Only) comprising of 2,00,00,000 Equity Shares of ₹10/- each.
- 5.7 The total Issued, Subscribed and Paid-up Equity Share Capital of the Target Company is ₹11,11,70,850/- (Rupees Eleven Crores Nine Lakhs Ninety Four Thousand and Four Hundred Only) comprising of 1,11,17,085/- Equity Shares of ₹10/- each.
- 5.8 The Share Capital Structure of the Target Company is as follows:

Paid up Equity Shares of ADCC	No. of equity shares/ voting rights	% of Shares / voting rights
Fully paid-up equity shares	1,11,17,085	100
Total voting rights	1,11,17,085	100

(Note: As on the date of PA, DPS & DLOF, the Company had 34785 outstanding convertible employee stock options out of which on March 29, 2019, 26,645 Equity Shares were allotted to eligible employees and 8,140 options have lapsed.)

- 5.9 The Equity Shares (ISIN: INE016Q01014) of the Target Company are currently listed at BSE Limited, Mumbai (“BSE”) (Scrip Code: 538734). (Source: www.bseindia.com)
- 5.10 There are no partly paid up shares in Target Company. (Source: www.bseindia.com)
- 5.11 All the Shares of the Target Company are in dematerialized form, except 26,645 Equity Shares which were allotted on March 29, 2019 and are under process for listing with BSE. The said Equity Shares shall be allotted to the respective allottees in dematerialized form after complying with applicable provisions. Further, these 26,645 Equity Shares have been allotted with a lock-in period of upto November 01, 2019, therefore, the Target Company shall be in compliance with the Regulation 40(1) of the SEBI (LODR) Regulations.
- 5.12 As on the date of this LOF, there are no outstanding convertible employee stock options in the Target Company.
- 5.13 The composition of the Board of Directors of the Target Company is as follows:

Sr No.	Name & Address	DIN	Designation	Original Date of Appointment
1.	Sagar Meghe Address: Plot No. 135, Pandey Layout, Khamla, Nagpur 440 025, Maharashtra, India	00127487	Chairman & Managing Director	September 09, 1998
2.	Dhruv Subodh Kaji Address: 3901, The Imperial, B.B. Nakshe Marg, Near Tardeo AC Market, Tardeo, Mumbai 400 034, Maharashtra, India	00192559	Non Executive & Independent Director	July 14, 2017
3.	Satish Ramchandra Wate	07792398	Non	July 14, 2017

	Address: Plot No. 148/149, Nagar Vikas Society, Sailee Narendra Nagar Vivekanand Nagar, Nagpur 440 015, Maharashtra, India		Executive & Independent Director	
4.	Renu Challu Address: A34/1, AFO CHS, Laxmi Narayana Temple, Sainikpuri, Tirumal Agiri, Hyderabad 500 094, Telangana India	00157204	Non Executive & Independent Director	August 31, 2017
5.	Kishore Pessulal Dewani Address: Prag Chhindwara Road, Byramji Town, Katol Road, Nagpur 440 013, Maharashtra, India	00300636	Non Executive & Independent Director	January 15, 2018
6.	Abhay Surendra Kimmattkar Address: Flat No. 501, Bldg No. 2, Keshavrao Khadye Marg, Near New Shirin Cinema, Satrasta Mahalaxmi (E), Jacob Circle, Mumbai 400 011, Maharashtra, India	01984134	Joint Managing Director	December 17, 2007
7.	Hemant Omkarrao Thakare Address: S/O Omkarrao Thakare, Plot No. 42, Flat No. G/10, Katyayni Appt, Renge Layout, Trimurti Nagar, Nagpur 440 022 Maharashtra, India	08132265	Whole time Director & COO	May 28, 2018
8.	Dinesh Kumar Singh Address: Flat No A-402 Shri Ganesh Gauri Apartments Gumasta Layout, Khamla Chauk, Vivekanand Nagar, Nagpur 440 015, Maharashtra, India	02754631	Director Finance & CFO	May 28, 2018

- 5.14 Other than Mr. Sagar Meghe there are no persons representing the Acquirers on the Board of Target Company, as on the date of this LOF.
- 5.15 No merger / demerger / spin off have taken place in the Target Company during the last three years.
- 5.16 Unaudited/Audited financial information of the Target Company for the Period ended September 30, 2018 and Financial Year ended on March 31, 2018; 2017 and 2016 are given below:

Particular	(Amount in Lac)			
	Unaudited Financials for the half year ended September 30, 2018*	Audited Financials for the financial year ended March 31, 2018*	Audited Financials for the financial year ended March 31, 2017**	Audited Financials for the financial year ended March 31, 2016**
Revenue from Operations	6545.42	13,625.70	16,052.41	12,504.97
Other Income	39.37	231.71	105.04	81.38
Total Income	6584.79	13,857.41	16,157.45	12,586.35
Total Expenditure	7535.36	13,651.31	14,565.84	11,365.39
Profit / (Loss) before Depreciation, Interest, Exceptional Items and Tax	45.16	2070.14	3453.22	2,614.59
Depreciation & Amortization Expense	213.89	412.30	356.93	288.73
Interest	781.84	1,451.74	1504.68	1,104.90
Exceptional Items	-	54.04	-	-
Profit/(Loss) before Tax	(950.57)	152.06	1,591.61	1,220.96
Current Tax	-	20.58	492.18	418.84

Deferred Tax	159.83	(9.44)	27.37	59.78
Profit/(Loss) after Tax	(790.74)	140.92	1,072.10	742.34

*The Unaudited Profit & Loss Statement for the Half Year ended September 30, 2018 and the Audited Profit & Loss Statement for the Financial Year ended March 31, 2018 have been prepared in accordance with the Indian Accounting Standards ("IND AS").

** The Audited Profit & Loss Statement for the Financial Year ended March 31, 2016 and March 31, 2017 have been prepared in accordance with the accounting principles generally accepted in India ("GAAP")

Balance Sheet

(Amount in Lac)

Particular	Unaudited Financials for the half year ended September 30, 2018*	Audited Financials for the financial year ended March 31, 2018*
Assets		
Non-Current Assets		
Property, Plant and Equipments	2,721.52	2,555.85
Intangible Assets	191.69	175.34
Investments in Subsidiaries	6.57	6.57
Financial Asset		
Investments	7.61	5.01
Trade Receivables	164.62	77.91
Loans	31.34	42.53
Other Financial Assets	84.57	136.77
Other Non-Current Assets	144.56	724.80
Deferred Tax	161.04	-
Non Current Tax Assets	609.85	-
Total Non-Current Assets	4,123.37	3,724.78
Current Assets		
Inventories	337.28	808.49
Financial Asset		
Trade Receivables	8,928.71	11,378.88
Cash and Cash Equivalents	26.33	18.96
Bank Balance other than above	801.32	856.71
Loans	344.50	212.64
Other Financial Assets	177.13	147.53
Unbilled Revenue	6,961.94	4,776.37
Other Current Assets	507.59	466.91
Total Current Assets	18,084.80	18,666.49
Total Assets	22,208.17	22,391.27
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	1,109.04	1,109.04
Particular	Unaudited Financials for the half year ended September 30, 2018*	Audited Financials for the financial year ended March 31, 2018*
Other Equity	4,357.75	5,498.61
Total Equity	5,466.79	6,607.65
Liabilities		
Non-Current Liabilities		
Financial Liabilities		

Borrowings	590.29	696.58
Other Financial Liabilities	47.05	61.70
Provisions	-	-
Deferred Tax Liabilities (Net)	-	68.08
Other Non-Current Liabilities	-	-
Total Non-Current Liabilities	637.34	826.36
Current Liabilities		
Financial Liabilities		
Borrowings	12,469.58	10,747.57
Trade Payables	2,188.57	2,856.23
Other Financial Liabilities	999.04	849.06
Provisions	214.85	141.62
Other Current Liabilities	232.00	362.78
Income Tax Liabilities (Net)	-	-
Total Current Liabilities	16,104.04	14,957.26
Total Equity And Liabilities	22,208.17	22,391.27

**The Unaudited Balance Sheet for the Half Year ended September 30, 2018 and the Audited Balance Sheet for the Financial Year ended March 31, 2018 have been prepared in accordance with the Indian Accounting Standards ("IND AS").*

(Amount in Lac)

Particulars	Audited Financials for the financial year ended March 31, 2017**	Audited Financials for the financial year ended March 31, 2016**
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	913.82	909.95
Reserves and surplus	4,399.58	3,445.51
Non-current liabilities		
Long-term borrowings	857.38	1,122.14
Deferred Tax Liabilities (Net)	559.91	532.57
Other Long term liabilities	-	4.10
Current liabilities		
Short-term borrowings	9,184.24	8,237.05
Trade payables	2,244.84	1,960.47
Other current liabilities	440.67	515.07
Short-term provisions	816.65	1,033.69
TOTAL	19,417.08	17,760.55
ASSETS		
Non-Current Assets		
Particulars		
Audited Financials for the financial year ended March 31, 2017**		
Audited Financials for the financial year ended March 31, 2016**		
Fixed assets		
a) Tangible assets	2,865.51	2,801.21
Non-current investments	97.48	103.09
Long-term loans and advances	37.50	303.09
Current Assets		
Inventories	4,755.52	5,846.71

Trade receivables	7,879.96	5,811.27
Cash and cash equivalents	883.16	972.78
Short-term loans and advances	1,941.23	644.91
Other current assets	956.71	1,277.50
TOTAL	19,417.08	17,760.55

** The Audited Balance Sheet for the Financial Year Financial Year ended March 31, 2016 and March 31, 2017 have been prepared in accordance with the accounting principles generally accepted in India ("IGAAP")

Other Financial Data

Particulars	Unaudited Financials for the half year ended September 30, 2018	Audited Financials for the financial year ended March 31, 2018	Audited Financials for the financial year ended March 31, 2017	Audited Financials for the financial year ended March 31, 2016
Dividend (%)	-	12.50	12.50	10
Earnings Per Share (₹) (Basic)	(7.13)	1.35	11.78	8.19
Earnings Per Share (₹)(Diluted)	(7.11)	1.34	11.69	8.07

5.17 Pre and Post Offer shareholding pattern of the Target Company as on the date of this LOF is as per the following table:

Shareholder's Category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares /voting rights agreed to be acquired which triggered off the Regulations.*		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer.**	
	(A)		(B)		(C)		(D) = (A)+(B)+(C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group (except the Acquirers)								
a. Parties to agreement, if any	NA	NA	NA	NA	NA	NA	NA	NA
b. Promoters other than (a) above	37,07,007	33.32	NIL	NA	NIL	NA	37,07,007	33.34
Total 1 (a+b)	37,07,007	33.32	NIL	NA	NIL	NA	37,07,007	33.34
(2) Acquirers								
Sagar Meghe	9,13,554	8.21	1,601	0.01	28,92,559	26.02	55,93,253	50.32
Sameer Meghe	9,19,289	8.26	NIL	NA				
Devika Meghe	4,33,950	3.90	NIL	NA				
Vrinda Meghe	4,32,300	3.89	NIL	NA				
Total (2)	26,99,093	24.26	1,601	0.01	28,92,559	26.02	55,93,253	50.32
Total (1) + (2)	64,06,100	57.58	1,601	0.01	28,92,559	26.02	93,00,260	83.66
(3) Parties to agreement other than(1) (a) & (2)	NA	NA	NA	NA	NA	NA	NA	NA
(4) Public (other than parties to agreement, acquirers & PACs)	46,84,340	42.11	(1,601)	(0.01)	(28,92,559)	(26.02)	18,16,825	16.34

a. FIs/ MFs/ FIIIs/ Banks, SFIIs	NIL	NA	NIL	NA	NIL	NA	NIL	NA
b. Others	NIL	NA	NIL	NA	NIL	NA	NIL	NA
Total (4)(a+b)	NIL	NA	NIL	NA	NIL	NA	NIL	NA
(5) Outstanding Convertible Employee Stock Options of the Target Company	34,785	0.31	NIL	NA	NIL	NA	NIL	NA
GRAND TOTAL (1+2+3+4+5)	1,11,25,225	100.00	NIL	NA	NIL	NA	1,11,17,085	100.00

Notes:

(i) The data within bracket indicates sale of equity shares.

*(ii) On January 21, 2019, the Acquirers placed a purchase order with their broker to acquire upto 3,60,000 (Three Lakhs Sixty Thousand) Equity Shares, which triggered the Open Offer, representing upto 3.25% of paid-up equity share capital of the Target Company at a price of ₹102.05/- (Rupees One Hundred and Two and Five Paise Only) per Equity Share of Target Company pursuant which the Acquirers acquired 1,601 Equity Shares of the Target Company.

(iii) All percentages have been calculated on a fully diluted basis, taking into consideration the 34,785 outstanding convertible employee stock options of the Target Company.

(iv) Shri Dattatraya Raghobaji Meghe, Raghav Infradevelopers and Builders Private Limited ("RIBPL") & SMG Hospitals Private Limited ("SHPL"), collectively hold 33.43%, of paid-up equity share capital of the Target Company. By virtue of the definition of Persons Acting in Concert ("PAC") as per Regulation 2(1)(q) of the SEBI (SAST) Regulations, Shri Dattatraya Raghobaji Meghe, RIBPL & SHPL are deemed PACs. Shri Dattatraya Raghobaji Meghe, RIBPL & SHPL vide letter dated January 14, 2019 have confirmed that they don't intend to participate in this offer directly or indirectly.

** (v) As on the date of filing of the PA, DPS and the DLOF, there were 34,785 outstanding convertible employee stock options in the Target Company, out of which, on March 29, 2019, 26,645 Equity Shares were allotted to eligible employees and 8,140 options have lapsed. The listing of the said 26,645 Equity Shares with BSE is under process. Consequently, the Fully Diluted Voting Share Capital of the Target Company stands downward revised to 1,11,17,085 Equity Shares from the earlier disclosed 1,11,25,225 Equity Shares. Accordingly, the percentage of shareholding to the Fully Diluted Voting Share Capital for "Share holding/voting rights after the acquisition and offer" has been calculated on the revised Fully Diluted Voting Share Capital i.e. 1,11,17,085 Equity Shares. On April 03, 2019, a Corrigendum to DPS to this effect has been published in the same newspapers in which the DPS was published.

6.1 JUSTIFICATION OF OFFER PRICE

- 6.1.1 The equity shares of the Target Company are listed and traded on BSE Limited and are infrequently traded within the meaning of Regulation 2(1)(j) of SEBI (SAST) Regulations.
- 6.1.2 The annualized trading turnover of the equity shares traded during the twelve calendar months preceding January 2019, the month in which the PA is made is as given below:

Sr. No.	Name of the Stock Exchange	Total no. of equity shares traded during the 12 calendar months preceding January, 2019	Total no. of equity shares listed	Traded Turnover (in terms of % to total listed shares)
1	BSE Limited	5,80,375	1,10,90,440	5.23%

(Source: www.bseindia.com)

- 6.1.3 The Offer Price of ₹110/- (Rupees One Hundred and Ten Only) per Equity Share of ₹10/- each is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, after considering the following facts.

a.	Highest Negotiated Price under the Acquisition Agreement attracting the obligation to make an Open Offer	NA
b.	Volume weighted average price paid or payable by the Acquirer for acquisition during 52 weeks immediately preceding the date of Public Announcement	₹97.60
c.	Highest Price paid or payable by the Acquirer for any acquisition during 26 weeks immediately preceding date of Public Announcement.	₹108.26
d.	Volume weighted average market price calculated for a period of 60 trading days preceding the date of Public Announcement, if shares are frequently traded	NA
e.	The price determined by taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	₹95.45
f.	The per share value computed under sub-regulation (5) of SEBI (SAST) Regulations	NA

#CA Hemant Kulkarni (Membership No.: 118882), partner of Hemant Kulkarni & Co, Chartered Accountants; (Firm Registration No.: 128774W) having office at 32, Classic Apartment-202, S.E. II, Railway Colony, Pratap Nagar, Nagpur – 440022; Email id: cahemantkulkarnico@gmail.com, vide certificate dated December 14, 2018, 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 (i) Net Assets Value (“NAV”) Method, (ii) Profit Earning Capacity method and (iii) Market Price Method and accorded weights of 2, 1 and 3 respectively to the values arrived at under each methodology for the purpose of arriving at the fair value for the Equity Shares of the Target Company.

- 6.1.4 The Offer Price of ₹110/-each (Rupees One Hundred and Ten Only) per equity share is justified as it is more than the Price determined in terms of Regulations 8(2) of SEBI (SAST) Regulations.
- 6.1.5 The Offer Price is denominated and payable in Indian Rupees only.
- 6.1.6 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations
- 6.1.7 The Acquirers shall disclose during the offer period every acquisition made by them of any equity shares of the Target Company to BSE and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6) of the SEBI (SAST) Regulations.
- 6.1.8 In case the Acquirers acquire or agree to acquire any 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 shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations. However, the Acquirers shall not acquire any equity shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
- 6.1.9 There has been no revision in Offer Price or Offer Size as on the date of this LOF.
- 6.1.10 An upward revision to the Offer Price or to the Offer Size, if any, on account of future purchases/ competing Offer or otherwise, may be done at any time prior to the commencement of the last one working day before the date of commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall (i) make further deposit into the Escrow Account; (ii)

make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform BSE, SEBI and the Target Company at its Registered Office of such revision.

- 6.1.11 In case the Acquirers acquire shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the offer price under these regulations, the Acquirers shall pay the difference between the highest acquisition price and the offer price, to all the shareholders whose shares were accepted in the open offer, within sixty days from the date of such acquisition.

6.2 FINANCIAL ARRANGEMENTS

- 6.2.1 Assuming full acceptance, the total financial requirement to meet the obligations of this Offer is ₹31,81,81,490 (Rupees Thirty One Crore Eighty One Lac Eighty One Thousand Four Hundred and Ninety Only), ("**Offer Consideration**")
- 6.2.2 CA Amit Jain (Membership No. 405270), Partner of Amit Madhukar Jain & Co., Chartered Accountants (Firm Registration No. 013102C), having office at S-15, Dharampeth Towers, W.H.C. Road, Dharampeth, Nagpur-440010; vide certificates dated December 11, 2018 has certified that Mr. Sagar Dattatraya Meghe, Mr. Sameer Dattatraya Meghe, Mrs. Devika Sagar Meghe and Mrs. Vrinda Sameer Meghe, have sufficient liquid funds to meet their obligations under SEBI (SAST) Regulations.
- 6.2.3 The Acquirers have adequate internal resources to meet the financial requirements of the Open Offer. No requirement of borrowings from any Bank/Financial Institution is envisaged by them. The Acquirers have made firm arrangement for financial resources required to complete the Open Offer in accordance with Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition will be financed through their own internal resources.
- 6.2.4 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Current Account as well as Fixed Deposit Escrow Account under the name and style of "CEINSYS TECH LIMITED OPEN OFFER ESCROW ACCOUNT" bearing Account No. 251290230257, with IndusInd Bank Limited a company duly incorporated under the Companies Act, 1956 and carrying on banking business within the meaning of the Banking Regulation Act, 1949 and having its registered office at 2401, Gen. Thimmayya Road (Cantonment), Pune-411001, India and acting for the purpose of this Offer through its branch situated at IndusInd Bank Limited, Ashoka Shopping Center, Shop # 5&6, G.T.Hospital Complex, L.T.Marg, Crawford Market, Mumbai -400 001, ("Escrow Bank"), and have made a cash deposit of ₹7,95,45,380/- (Rupees Seven Crore Ninety Five Lakh Forty Five Thousand Three Hundred Eighty only) in the Escrow Current Account. The cash deposited in Escrow Current Account represents 25.00% of the total consideration payable to the equity shareholders under this Offer. Escrow Bank vide email dated January 16, 2019 has confirmed the credit balance of ₹7,95,45,380/- (Rupees Seven Crore Ninety Five Lac Forty Five Thousand Three Hundred Eighty only) as on January 16, 2019.
- 6.2.5 The Acquirers have authorized the Manager to the Offer to operate and realize the value of the Escrow account in terms of SEBI (SAST) Regulations.
- 6.2.6 Based on the above, the Manager to the Offer is satisfied that firm financial arrangements for fund and money for payment through verifiable means are already in place to fulfill the obligations of the Acquirers under the Offer.
- 6.2.7 In case of any upward revision in the Offer Price or the size of this Offer, the Cash Escrow amount shall be increased by the Acquirers prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

7.1 TERMS AND CONDITIONS OF THE OFFER

- 7.1.1 The Offer is being made to all public shareholders of the Target Company, except the Acquirers and the Promoter Group shareholders of the Target Company, whether registered or unregistered are eligible to participate in the Offer any time before the closure of the tendering period. The Offer is subject to the terms and conditions set out in this LOF, the Form of Acceptance, PA, DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.2 The Letter of Offer (LOF) along with the Form of Acceptance shall be sent to all eligible equity shareholders whose names appear in the register of members of the Target Company as on Identified Date i.e. Monday, April 01, 2019.
- 7.1.3 Accidental omission to dispatch the Letter of Offer to any shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such shareholder shall not invalidate this Offer in any way.
- 7.1.4 The Acquirers shall acquire the shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 7.1.5 Consideration for equity shares accepted would be paid in the name of first shareholder/ unregistered shareholder and will be intimated by the registered post/UPC to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.
- 7.1.6 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
- 7.1.7 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the equity shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.1.8 The locked-in Equity Shares, if any acquired the offer can be transferred to the Acquirers, subject to the continuation of the residual lock-in period in the hands of the Acquirers. The Manager to the Offer ensures that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.
- 7.1.9 All eligible equity shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Equity Shares in the Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer in terms of the Letter of Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares in the Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in the Offer. If the Equity Shares are held under general permission of the RBI, then the non-resident eligible equity shareholder must state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable or non-repatriable basis.
- 7.1.10 The PA, DPS and LOF along with Form of Acceptance will be available on the SEBI's website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer by all equity shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date i.e. Monday, April 01, 2019, but before the Closure of Tendering Period, if they so desire, the shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at www.sebi.gov.in, or obtain it from the Registrar to the Offer and send in their acceptances to the Registrar to the Offer by filling the same.
- 7.1.11 The acceptance of this offer is entirely at the discretion of the eligible equity shareholder(s) / of the Target Company. The Acquirers, Manager to the Offer and the Registrar to the Offer will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the shareholders are advised to adequately safeguard their interests in this regard.
- 7.1.12 In the event that the aggregate of the Equity Shares tendered in this Offer by the shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.

7.2 STATUTORY AND OTHER APPROVALS

- 7.2.1 To the best of the knowledge and belief of the Acquirers, as of the date of this LOF, there are no statutory approvals and/or consent required to acquire the equity shares tendered pursuant to this Offer. However, if any other statutory approvals are required or become applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.
- 7.2.2 If any of the public shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIIs) require any approvals interalia from the Reserve Bank of India, the Foreign Investment Promotion Board or any regulatory body for the transfer of any Equity Shares to the Acquirers, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirers reserve the right to reject the Equity Shares tendered by such shareholders that are not resident in India.
- 7.2.3 Subject to the receipt of statutory approvals (if any), as the case may be, the Acquirers shall complete all procedures relating to this Offer within 10 working days from the date of closure 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 Acquirers.
- 7.2.4 In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant extension of time for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the equity shareholders as directed by SEBI, in terms of regulation 18(11) of the SAST Regulations. However, where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirers have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.
- 7.2.5 If any of the statutory approval set out above, are not met for reasons outside the reasonable control of the Acquirers, or in the event the statutory approvals are refused, the Acquirers, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS is published and such announcement will also be sent to SEBI, BSE and the Target Company at its Registered Office.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

- 8.1** All eligible equity shareholders of the Target Company, holding Equity Shares in dematerialized form, registered or unregistered or holding locked-in Shares, regardless of whether such person has acquired Equity Shares and whose names appear as beneficiaries on the records of the respective Depositories, any time prior to the date of the Closure of the Tendering Period 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 eligible equity shareholders who have not received the Letter of Offer, are eligible to participate in this Offer any time during the Tendering Period.
- 8.2** Persons who have acquired the 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 not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, the DPS and the Letter of Offer. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance-cum-Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (www.sebi.gov.in) or the Registrar to the Offer.
- 8.3** The Offer will be implemented by the Acquirers, subject to applicable laws, through the stock exchange mechanism as provided under the SEBI (SAST) Regulations and SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 as may be amended from time to time, issued by SEBI. A separate window on the stock exchange ("Acquisition Window") would be provided by the stock exchange for this purpose.
- 8.4** BSE shall be the designated stock exchange ("Designated Stock Exchange") for the purpose of tendering Equity Shares in this Offer.
- 8.5** The Acquirers have appointed AUM Capital Market Private 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:
- Address:** Akashdeep, 1st Floor, 5 Lower Rawdon Street Kolkata-700020
Telephone No.: 033-40572220, 40572219
Email: aumcapital@aumcap.com
Contact Person: Mr. Ashok Poddar
- 8.6** All eligible equity shareholders who desire to tender their Equity Shares under the Offer would have to approach their respective stock brokers ("Selling Broker(s)"), during the normal trading hours of the secondary market during the Tendering Period.
- 8.7** The facility for acquisition of shares and placing sell orders through the stock exchange mechanism pursuant to the Offer shall be available on the BSE in the form of a separate acquisition window.
- 8.8** The cumulative quantity tendered shall be displayed on the website of the BSE throughout the trading session at specific intervals during the Tendering Period.
- 8.9** Modification/cancellation of orders will not be allowed during the Tendering Period.
- 8.10** Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).
- 8.11** In the event Seller Broker of shareholders is not registered with BSE then the shareholders can approach the Buying Broker as defined in the Point 8.5 above and tender the 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.
- 8.12** Procedure for tendering Equity Shares held in dematerialised form:
- a. Eligible equity 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. 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.

- c. Upon placing the order, the Selling Broker shall provide transaction registration slip (“TRS”) generated by the stock exchange bidding system to the Eligible Equity Shareholder. TRS will contain details of order submitted like bid ID No., Depository Participant (“DP”) ID, Client ID, no. of Equity Shares tendered, etc.
- d. 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.
- e. The eligible equity shareholders will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC code, keep their depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection.
- f. The resident Eligible equity shareholders (i.e. eligible equity shareholders residing in India) holding Equity Shares in demat mode, are not required to fill any Form of Acceptance-cum-Acknowledgement. The eligible equity shareholders are advised to retain the acknowledged copy of the delivery instructions slip and the TRS till the completion of Offer Period.
- g. All non-resident eligible equity shareholders (i.e. eligible equity shareholders not residing in India including NRIs and OCBs) holding demat Equity Shares are mandatorily required to fill the Form of Acceptance-cum-Acknowledgement. The non-resident eligible equity shareholders holding Equity Shares in demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance-cum-Acknowledgement along with the required documents to the Registrar to the Offer at its address given on the cover page of the Letter of Offer. The envelope should be superscribed as "Ceinsys Tech Limited - Open Offer". The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance-cum-Acknowledgment.
- h. 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.
- i. The tendered Equity Shares and documents will be held in trust for the benefit of the eligible equity shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation / Registrar to the Offer until such time the process of acceptance of tenders of Equity Shares under the Open Offer and the payment of consideration is completed.

8.13 Procedure for tendering the shares in case of non-receipt of 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 the Letter of Offer or in the relevant Acceptance Form.
- c. Letter of Offer along with a Form of Acceptance-cum- Acknowledgement (“Form of Acceptance”), will be dispatched to the beneficial owners of the Equity Shares of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on Monday, April 01, 2019 (“Identified Date”).
- d. In case of non-receipt of the Letter of Offer, such Eligible Equity Shareholder of the Target Company may download the same from the website of SEBI (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

8.14 Acceptance of 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 eligible equity shareholders under this Offer is more than the number of Equity Shares offered under the Offer, the Acquirers shall accept those Equity Shares validly tendered by the eligible equity shareholders 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 and does not result in non-marketable lots, provided that acquisition of Equity Shares from an Eligible Equity Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than

the marketable lot. The minimum marketable lot of the Target Company is 1 Equity Share.

8.15 Settlement Process

- a. On closure of the Offer, reconciliation for acceptances shall be conducted by the Registrar to the Offer in consultation with the Manager to the Offer and the final list of accepted Equity Shares shall be provided to BSE to facilitate settlement on the basis of the 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. The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Equity Shareholder. If the bank account details of the eligible Equity Shareholder(s) are not available or if the funds transfer instructions are rejected by the RBI or the bank, due to any reason, then such funds will be transferred to the concerned Selling Broker's settlement bank account for onward transfer to their respective eligible Equity Shareholder.
- d. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favor of Clearing Corporation.
- 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 releasing the same to their respective Eligible Equity Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Offer.
- f. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the eligible equity shareholders would be returned to them by the Clearing Corporation.
- g. Any Equity Shares that are subject matter of litigation or are held in abeyance, subject to pending court cases, attachment orders or restriction from other statutory authorities wherein the Eligible Equity Shareholder may be precluded from transferring the Equity Shares during pendency of such proceedings, orders or restrictions, may be rejected unless directions or orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the Closure of the Tendering Period.

8.16 Settlement of Funds / Payment Consideration

- a. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- b. For Equity Shares accepted under the Offer, Clearing Corporation will make direct funds payout to respective eligible Equity Shareholder. If bank account details of the eligible Equity Shareholder are not available or if the funds transfer instruction are rejected by RBI/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.
- c. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Offer, the eligible Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- d. The funds received from the Buyer Broker by the Clearing Corporation will be released to the Eligible Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.
- e. Eligible equity shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, 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 consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer and the PACs accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.
- f. 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 shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI Takeover Regulations, 2011.

9. COMPLIANCE WITH TAX REQUIREMENT:

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:

- a. 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.
- b. 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).
- c. Any applicable surcharge and education cess would be in addition to above applicable rates.
- d. 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 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.

10. DOCUMENTS FOR INSPECTION

The following documents shall be available for inspection to the Eligible Equity Shareholder at the office of the Manager to the Offer situated at 2nd Floor, Shree Gurudeo Towers, Above Shirpur Co – Op Bank Limited, Canada Corner, Nashik - 422005. The documents can be inspected during normal business hours (11:00 hours to 17:00 hours) on all working days (except Saturdays, Sundays and bank holidays) during the Tendering Period:

- Certificates dated December 11, 2018 issued by CA Amit Jain (Membership No. 405270), Partner of Amit Madhukar Jain & Co., Chartered Accountants (Firm Registration No. 013102C), having office at S-15, Dharampeth Towers, W.H.C. Road, Dharampeth, Nagpur-440010, certifying the net worth and liquidity of the Acquirers;
- Annual reports of Target Company for the financial years ending March 31, 2018, March 31, 2017 and March 31, 2016.
- Memorandum and Articles of Association of the Target Company.
- Email from IndusInd Bank Limited dated January 16, 2019 confirming the cash deposit of ₹7,95,45,380/- (Rupees Seven Crore Ninety Five Lakh Forty Five Thousand Three Hundred Eighty only) as on January 16, 2019 in the Escrow Account with a lien marked in favour of the Manager to the Offer.
- Copy of Escrow Agreement between the Acquirers, Manager to the Offer and Escrow Bank.
- Copy of Public Announcement dated January 16, 2019, published copy of the Detailed Public Statement dated January 21, 2019;
- Certificate dated December 14, 2018 issued by CA Hemant Kulkarni (Membership No.: 118882), partner of Hemant Kulkarni & Co, Chartered Accountants; (Firm Registration No.: 128774W) having office at 32, Classic Apartment-202, S.E. II, Railway Colony, Pratap Nagar, Nagpur – 440022; Email id: cahemantkulkarnico@gmail.com for Fair Market Valuation of the Target Company.
- Copy of the comments letter from SEBI.
- Copy of the Recommendation of the Independent Directors.

11. DECLARATION BY THE ACQUIRERS

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

Acquirer 1	Acquirer 2	Acquirer 3	Acquirer 4
Sd/-	Sd/-	Sd/-	Sd/-
Sagar Meghe	Sameer Meghe	Devika Meghe	Vrinda Meghe

Date: April 04, 2019

Place: Nagpur