

DETAILED PUBLIC STATEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS OF
EVEREST ORGANICS LIMITED

Registered Office: Aroor Village, Sadasivapet Mandal, Medak, Telangana – 502291;
Tel No.: +91-08455-250084; +91-08455-250113/14/15; Fax. No.: +91-08455-250114;
Open Offer for acquisition upto 2,080,000 Equity Shares from the shareholders of
EVEREST ORGANICS LIMITED by
Dr. Sri Kakarlapudi Srihari Raju (“Acquirer 1”) and
Veerat Finance & Investment Limited (“Acquirer 2”)

This Detailed Public Statement (“DPS”) is being issued by Corporate Professionals Capital Private Limited, the Manager to the Offer (“Manager”), on behalf of Dr. Sri Kakarlapudi Srihari Raju (“Acquirer 1”) and Veerat Finance & Investment Limited (“Acquirer 2”) (hereinafter collectively referred to as “Acquirers”), in compliance with Regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (if any) (“SEBI (SAST) Regulations”) pursuant to the PUBLICANNOUNCEMENT (“PA”) made on July 30, 2016, Saturday with BSE LIMITED (“BSE”), SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) and with EVEREST ORGANICS LIMITED (“TARGET COMPANY” or “TC” or “EOL”) in terms of Regulation 3(2) of the SEBI (SAST) Regulations.

- I. **ACQUIRERS, TARGET COMPANY AND OFFER**
A. **INFORMATION ABOUT THE ACQUIRERS:**
A.1. Dr. Sri Kakarlapudi Srihari Raju (“Acquirer 1”), S/o Mr. S.K.V. Veeravbhadra Raju R/o Lakeview Plaza, 4th Floor, Plot No. 127 & 128, Amar, Co. op. Society, Near Durgam Cheruvu, Madhapur, Hyderabad – 500033. He is a doctor by profession and holds degree of MBBS and MD. He is engaged in the manufacturing of Active Pharmaceutical Ingredients and holds an experience of 23 years in the same field. The Net Worth of Acquirer 1 as on June 30, 2016 is Rs. 153,421,000/- (Rupees Fifteen Crores Thirty Four Lacs and Twenty Thousand Only) as certified by Mr. V. Veera Reddy (Membership No. 233770), Proprietor of Veera Reddy Vennapusa, Chartered Accountant having office at Flat No. 202, Sri Enclave, Beside Axis Bank Sri Nagar Colony Road, Ameerpet, Hyderabad – 500073, Telangana; Mob.: +91-9959073743; Email: acaveerarreddy@gmail.com; vide certificate dated July 30, 2016. Acquirer 1 is the Promoter and Managing Director of the Target Company and presently holds 260,892 (Two Lacs Sixty Thousand Eight Hundred and Ninety Two Only) Equity Shares representing 7.82% of the present paid up share capital of the Target Company i.e. Rs. 33,382,800 representing 3,338,280 Equity Shares of Rs. 10 each. The details of Companies/ LLPs where Acquirer 1 holds Directorship/ Designated Partnership or the companies, LLPs, firms, promoted/controlled by the Acquirer are given below:

| ACQUIRER'S DIRECTORSHIP IN OTHER COMPANIES | | |
|---|----------------------------------|-----------------------|
| Name of the Company/ Firm | Designation | CIN/LLPIN |
| Everest Organics Limited | Managing Director | L24230TG1993PLC015426 |
| Companies/ Firms Promoted/ Controlled by Acquirer | | |
| Name of the Company/ Firm | Shareholding (%) | CIN/LLPIN |
| Veerat Finance & Investment Limited | 1,600,725 Equity Shares (21.23%) | U65921TG1994PLC018639 |

- A.2. Veerat Finance & Investment Limited (“Acquirer 2”), is an unlisted public company incorporated under the provisions of the Companies Act, 1956 (CIN: U65921TG1994PLC018639) on October 27, 1994 with the name and style of “Veerat Finance & Investment Limited”. The Registered Office of the Acquirer 2 is situated at Lakeview Plaza, 5th Floor, Plot No. 127 & 128 Amar Co-Op. Society, Near Durgam Cheruvu, Madhapur, Hyderabad – 500033, Telangana. The Acquirer 2 is Non-Banking Financial Company (“NBFC”) registered with Reserve Bank of India (“RBI”) with Certificate of Registration number 18639 and is engaged in long term investment and financing activities. The present authorized share capital of Acquirer 2 is Rs. 90,000,000 (Rupees Nine Crores Only) constituting 9,000,000 (Ninety Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The paid up share capital of Rs. 75,396,870 (Rupees Seven Crores Fifty Three Lacs Ninety Six Thousand Eight Hundred and Seventy Only) divided into 7,539,687 (Seventy Five Lacs Thirty Nine Thousand Six Hundred and Eighty Seven) Equity Shares of Rs. 10/- (Rupees Ten Only) each. Acquirer 2 is one of the promoters of the Target Company and is controlled by Acquirer 1 and his relatives. Presently, Acquirer 2 holds 472,608 (Four Lacs Seventy Two Thousand Six Hundred and Eight) Equity Shares representing 14.16% of the present paid up share capital of the Target Company i.e. Rs. 33,382,800 representing 3,338,280 Equity Shares of Rs. 10 each. The key shareholders of Acquirer 2 are specified below:

| S. No. | Name of the Shareholders | No. of Shares held | % of shareholding |
|--------|----------------------------------|--------------------|-------------------|
| 1. | Dr. Sri Kakarlapudi Srihari Raju | 1,600,725 | 21.23 |
| 2. | Dr. Sri Kakarlapudi Krishnaveni | 1,406,197 | 18.65 |
| 3. | S. K. Hanikrishna | 738,234 | 9.79 |
| 4. | S. K. Gouri Parvathi | 264,445 | 3.51 |
| 5. | S. K. Jagapathi Raju | 69,100 | 0.92 |
| 6. | S. K. Veerabhadraraju | 4,000 | 0.05 |
| 7. | S. K. Archana | 1,300 | 0.02 |
| 8. | S. K. Sirisha | 1,000 | 0.01 |
| 9. | S. K. Bangar Raju | 100 | 0.00 |
| 10. | S. K. V. Sarada | 100 | 0.00 |
| | Total | 4,085,201 | 54.18 |

The key financial information of the Acquirer 2 based on the financial statements for the financial year ended March 31, 2014, March 31, 2015 and March 31, 2016 is as follows:

| (Rs. In Lacs) | | | | |
|---------------|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Sr. No. | Particulars | Year ended March 31, 2014 (Audited) | Year ended March 31, 2015 (Audited) | Year ended March 31, 2016 (Audited) |
| 1. | Total Revenue | 6.85 | 8.96 | 13.87 |
| 2. | Net Income | 2.15 | 1.49 | 3.99 |
| 3. | Earnings Per share (In Rs.) | 0.04 | 0.02 | 0.05 |
| 4. | Net worth/shareholders' funds | 487.96 | 684.02 | 766.00 |

Source- As certified by Mr. Y. Sai Karunakar (Membership No. 207033), Partner of P.S.N. Ravishanker & Associates, Chartered Accountants (FRN: 003228S) having office at Flat No. 205, 2nd Floor, B-Block, Kushal Towers, #6-2-975 Khairatabad, Hyderabad – 500004 (T.S.); Tel. No.: 040-23320558 & 040-23393381; Fax. No.: 040-23393381, E-mail: psnra@yahoo.com vide certificate dated July 30, 2016.

- A.3. Acquirers are the promoters of the Target Company. Acquirer 2 is controlled by Acquirer 1 and his relatives.
A.4. There is no Person Acting in Concert (“PAC”) with the Acquirers in this Takeover Open Offer.
A.5. Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 (“SEBI Act”) as amended or under any other regulation made under the SEBI Act.
B. **INFORMATION ABOUT THE SELLER: NOT APPLICABLE**
C. **INFORMATION ABOUT THE TARGET COMPANY: EVEREST ORGANICS LIMITED (“TARGET COMPANY” or “TC” or “EOL”):**

- C.1. EOL is a public listed company incorporated under the provisions of Companies Act, 1956, on February 19, 1993 in the name and style of “Everest Organics Limited”. The registered office of EOL is situated at Aroor Village, Sadasivapet Mandal, Medak, Telangana – 502291.
C.2. The Target Company is engaged in the business of manufacturing of Active Pharmaceutical Ingredients (Bulk Drugs). The manufacturing facility of the Target Company is at Aroor Village, Medak District, Telangana, India.
C.3. The Target Company was in continuous losses and was a declared sick company between 2006 and 2008 and then by statute it registered with BIFR. Later on the BIFR abated the case proceedings, due to the symbolic possession of its assets was taken over by ARCIL. In the year 2007-2008 the Target Company started generating small profits and got revived. On August 17, 2015 the Target Company reduced its paid up share capital to 3,338,280 equity shares pursuant to a scheme of capital reduction as approved by the High Court of Judicature at Hyderabad on March 22, 2015.
C.4. The Target Company was earlier listed on BSE and Hyderabad Stock Exchange Limited (“HSE”), however, got suspended at BSE on January 07, 2002 due to Penal Reasons and similarly on HSE also. HSE got derecognized vide SEBI order dated January 25, 2013. Further, the suspension in trading of Equity Shares on BSE of the Target Company got revoked on March 11, 2016 vide notice dated March 03, 2016.
C.5. The Equity Shares of Target Company are listed and traded on BSE and are **infrequently traded** within the meaning of definition of “frequently traded shares” under clause (j) of Sub-Regulation (1) of Regulation (2) of the SEBI (SAST) Regulations.
C.6. The authorised share capital of the Target Company as on the date is Rs. 100,000,000 (Rupees Ten Crores Only) divided into 10,000,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The present paid-up capital of the Company is Rs. 33,382,800 (Rupees Three Crores Thirty Three Lacs Eighty Two Thousand and Eight Hundred Only) comprising of 3,338,280 (Thirty Three Lacs Thirty Eight Thousand Two Hundred and Eighty) Equity Shares of Rs. 10/- each.
C.7. There are currently no outstanding partly paid up shares in the Target Company.
C.8. Key financial information of the Target Company based on the financial statements for the financial year ended March 31, 2014, March 31, 2015 and March 31, 2016 are as follows:

| (Rs. In Lacs) | | | | |
|---------------|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Sr. No. | Particulars | Year ended March 31, 2014 (Audited) | Year ended March 31, 2015 (Audited) | Year ended March 31, 2016 (Audited) |
| 1. | Total Revenue | 9675.06 | 10650.74 | 9984.21 |
| 2. | Net Income | 86.75 | 165.36 | 18.04 |
| 3. | Earnings Per share (In Rs.) | 0.94 | 1.78 | 0.54 |
| 4. | Net worth/shareholders' funds | 415.49 | 580.83 | 598.87 |

Source- As certified by Mr. Y. Sai Karunakar (Membership No. 207033), Partner of P.S.N. Ravishanker & Associates, Chartered Accountant (FRN: 003228S) having office at Flat No. 205, 2nd Floor, B-Block, Kushal Towers, #6-2-975 Khairatabad, Hyderabad – 500004; Tel. No.: 040-23320558 & 040-23393381; Fax. No.: 040-23393381, E-mail: psnra@yahoo.com vide certificate dated July 30, 2016.

- D. **DETAILS OF THE OPEN OFFER:**
D.1. On July 30, 2016, the Board of Directors in its meeting considered and approved the preferential allotment of 3,950,000 (Thirty Nine Lacs Fifty Thousand Only) Equity Shares out of which 1,238,890 (Twelve Lacs Thirty Eight Thousand Eight Hundred and Ninety) Equity Shares representing 15.49% of expanded share capital i.e. Rs. 80,000,000 (Rupees Eight Crores Only) representing 8,000,000 (Eighty Lacs) Equity Shares of Rs. 10 each and of the Target Company at a price of Rs.18.00/- (Rupees Eighteen Only) to Acquirer 1 and 2,711,110 (Twenty Seven Lacs Eleven Thousand One Hundred and Ten) Equity Shares representing 33.89% i.e. Rs. 80,000,000 (Rupees Eight Crores Only) representing 8,000,000 (Eighty Lacs) Equity Shares of Rs. 10 each of the Target Company at a price of Rs.18.00/- (Rupees Eighteen Only) to Acquirer 2 and allotment of 711,720 (Seven Lacs Eleven Thousand Seven Hundred and Twenty) convertible warrants at a price of Rs.18.00/- each (Rupee Eighteen Only) which will be convertible into equal number of Equity Shares. To Acquirer 2 by converting the unsecured loans received from Acquirers. The Acquirers along with other existing promoters presently holds 1,167,264 representing 34.97% of the present equity share capital of the Target Company. Pursuant to proposed preferential allotment the shareholding of the Acquirers and other existing promoters will increase from 1,167,264 representing 34.97% of present paid-up capital of the Target Company to 5,828,984 representing 72.86% of the expanded share capital of the Target Company. Acquirers shareholding will increase from 733,500 Equity Shares representing 21.97% of the present paid up share capital of the Target Company to 7,475,220 Equity Shares representing 93.44% of the

expanded share capital of the Target Company which triggered the obligation to make a Public Announcement in terms of Regulation 3(2) of SEBI (SAST) Regulations, 2011. Pursuant to this triggering event, Acquirers has made this Takeover Open Offer to acquire upto 2,080,000 (Twenty Lacs and Eighty Thousand Only) Equity Shares at a face value of Rs. 10/- each and at an Offer Price of Rs.18.00/- (Rupees Eighteen Only) being 26.00% of the of the expanded share capital of the Target Company after taking into account the capital base after the allotment of Equity Shares and conversion of warrants into equity payable in cash, subject to the terms and conditions as set out in PA, this Detailed Public Statement and the Letter of Offer, that will be sent to the shareholders of the Target Company.

- D.2. This Offer is made to all the equity shareholders of the Target Company, except Acquirers and other existing promoters of the Target Company and persons in terms of Regulation 7(6) of SEBI (SAST) Regulation, 2011.
D.3. The Offer would not be subject to the receipt of any statutory and other approvals except as mentioned in Part VI of this DPS.
D.4. This Offer is not conditional on any minimum level of acceptance by the equity shareholders of the Target Company. Acquirers will acquire the Equity Shares of the Target Company that are validly tendered as per the terms of the Offer upto a maximum of 2,080,000 Equity Shares (Twenty Lacs and Eighty Thousand Only) Equity Shares at a price of Rs. 18.00/- (Rupees Eighteen Only) being 26.00% of the expanded share capital of the Target Company.
D.5. **This is not a competitive bid.** This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.
D.6. The Equity Shares of the Target Company will be acquired by the Acquirers as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
E. The Acquirers do not have any plans to alienate any significant assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. EOL'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.
F. Upon completion of the Offer, assuming full acceptances in the Offer, Acquirers will hold 7,475,220 Equity Shares constituting 93.44% of the expanded share capital of the Target Company and other existing promoters will hold 433,764 Equity Shares constituting 5.42% of the expanded share capital of the Target Company as on the tenth working day after the closure of the Tendering Period. Pursuant to this Open Offer, the public shareholding in the Target Company will reduce below the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the Listing Agreement and Acquirers undertake that they will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contracts (Regulation) Rules, 1957 as amended, the Listing Agreement or corresponding provisions of SEBI (LODR) Regulations, 2015 and the Regulations (74) and (75) of the SEBI (SAST) Regulations and will reduce the non-public shareholding within the time period mentioned therein.

- II. **BACKGROUND TO THE OFFER**
A. The Target Company was suffering from losses since 2000 and the net worth of the Target Company became negative at that time. To overcome the losses and make the Target Company profitable a large amount of working capital was required. Taking in view the present scenario, the Promoters of the Target Company advanced Unsecured Loan to the Target Company. The Banker to the Target Company i.e. Kotak Mahindra Bank vide letter dated March 07, 2016 requested the company to convert the aforesaid Unsecured Loan into Equity Shares to improve the Debt Equity Ratio of the Target Company.
B. Pursuant to this, on July 30, 2016, the Board of Directors in its meeting considered and approved the preferential allotment of 3,950,000 (Thirty Nine Lacs Fifty Thousand Only) Equity Shares out of which 1,238,890 (Twelve Lacs Thirty Eight Thousand Eight Hundred and Ninety) Equity Shares representing 15.49% of expanded share capital i.e. Rs. 80,000,000 (Rupees Eight Crores Only) representing 8,000,000 (Eighty Lacs) Equity Shares of Rs. 10 each and of the Target Company at a price of Rs.18.00/- (Rupees Eighteen Only) to Acquirer 1 and 2,711,110 (Twenty Seven Lacs Eleven Thousand One Hundred and Ten) Equity Shares representing 33.89% i.e. Rs. 80,000,000 (Rupees Eight Crores Only) representing 8,000,000 (Eighty Lacs) Equity Shares of Rs. 10 each of the Target Company at a price of Rs.18.00/- (Rupees Eighteen Only) to Acquirer 2 at a price of Rs.18.00/- (Rupees Eighteen Only) and allotment of 711,720 (Seven Lacs Eleven Thousand Seven Hundred and Twenty) convertible warrants at a price of Rs. 18.00/- each (Rupee Eighteen Only) which will be convertible into equal number of Equity Shares to Acquirer 2 by converting the unsecured loans received from Acquirers.
C. The Acquirers along with other existing promoters hold 1,167,264 representing 34.97% of the present equity share capital of the Target Company. Pursuant to proposed preferential allotment the holding of the Acquirers will increase from 1,167,264 representing 34.97% of present paid-up capital of the Target Company to 5,828,984 representing 72.86% of the expanded share capital of the Target Company. Acquirers shareholding will increase from 733,500 Equity Shares representing 21.97% of the present paid up share capital of the Target Company to 7,475,220 Equity Shares representing 93.44% of the expanded share capital of the Target Company which triggered the obligation to make a Public Announcement in terms of Regulation 3(2) of SEBI (SAST) Regulations, 2011.

- III. **SHAREHOLDING AND ACQUISITION DETAILS**
The current and proposed shareholding of the Acquirers in the Target Company and the details of its acquisition are as follows:

| Details | Acquirer 1 | | Acquirer 2 | | Total | |
|---|---|------|---------------|-------|---------------|-------|
| | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Shareholding of Acquirers as on the PA date (% on the basis of present paid-up capital of the Target Company) | 260,892 | 7.82 | 472,608 | 14.16 | 733,500 | 21.97 |
| Shares acquired between the PA date and the DPS date | Nil | NA | Nil | NA | Nil | NA |
| Post Offer shareholding (On Diluted basis, as on 10th working day after closing of tendering period) | Assuming full acceptance in the offer, the Acquirers and other existing promoters will together hold 7,908,984 (Seventy Nine Lacs Eight Thousand Nine Hundred and Eighty Four) Equity Shares constituting 98.86% of the expanded share capital of the Target Company. | | | | | |

- IV. **OFFER PRICE**
A. The Equity Shares of the Target Company are listed and traded on BSE.
B. The annualized trading turnover in the Equity Shares of the Target Company based on trading volume during the twelve calendar months prior to the month of Public Announcement (July 2015 to June 2016) is as given below:

| Stock Exchange | Total No. of equity shares traded during the Twelve calendar months prior to the month of PA | Total No. of Equity Shares | Annualised Trading Turnover (as % of Total Equity Shares) |
|----------------|--|----------------------------|---|
| BSE | 25,652 | 3,338,280 | 0.77 |
| Total | 25,652 | 3,338,280 | 0.77 |

(Source: www.bseindia.com)

- C. The equity shares of the Target Company were listed and traded on BSE and were infrequently traded within the meaning of definition of “frequently traded shares” under clause (j) of Sub-Regulation (1) of Regulation 2 of the SEBI (SAST) Regulations.
D. The Offer Price of Rs. 18.00/- (Rupees Eighteen Only) is justified, in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following:

| S. No. | Particulars | Price |
|--------|---|-----------------------|
| (a) | The price at which the equity shares were allotted to the Acquirer pursuant to the preferential allotment of equity shares and convertible warrants as approved by the Board of Directors in the meeting held on July 30, 2016 | Rs. 18.00/- per share |
| (b) | The volume-weighted average price paid or payable for acquisition whether by the Acquirer, during 52 weeks immediately preceding the date of Public Announcement | Not Applicable |
| (c) | The highest price paid or payable for any acquisition, whether by the Acquirer during 26 weeks immediately preceding the date of Public Announcement | Not Applicable |
| (d) | The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the Public Announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period | Not Applicable |

| Other Parameters* | Based on the audited financial data for the period ended March 31, 2016 |
|-------------------------------|---|
| Book Value per Share (In Rs.) | 17.94 |

In compliance with Regulation 8(6), the proposed allotment of warrants convertible into equal number of equity shares of the Target Company would be converted at a price of Rs. 18.00 (Rupees Eighteen Only) within 18 months from the date of allotment. Therefore, this pricing parameter has also been taken into consideration while determining the Offer price.

- The Offer Price is Rs. 18.00 (Rupees Eighteen Only) per share, accordingly, in view of the above parameters considered and presented in tables and paragraph above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 18.00/- (Rupees Eighteen Only) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations and hence justified.
E. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.
F. In the event of further acquisition of Equity Shares of the Target Company by the Acquirers during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, it shall not be acquiring any equity shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
G. If the Acquirers acquire equity shares of the Target Company during the period of twenty-six weeks after the tendering period at a 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, 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.

- H. As on date, there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirers shall comply with Regulation 18 of SEBI (SAST) Regulations and all the provisions of SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Open Offer Price or Open Offer Size.

- I. If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and would be notified to the shareholders.

V. **FINANCIAL ARRANGEMENTS**

- A. The total fund requirement for the Open Offer (assuming full acceptances) i.e. for the acquisition upto 2,080,000 (Twenty Lacs and Eighty Thousand Only) Equity Shares from the public shareholders of the Target Company at an Offer Price of Rs. 18.00/- (Rupees Eighteen Only) per fully paid up equity share is Rs. 37,440,000 (Rupees Three Crores Seventy Four Lacs and Forty Thousand Only) (the “Maximum Consideration”).

- B. The Acquirers have adequate resources and has made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition will be financed through internal resources of the Acquirer.

- C. The Acquirer, the Manager to the Offer and Kotak Mahindra Bank Limited, a company incorporated under the Companies Act, 1956, and carrying on business as a banking company under Banking Regulations Act, 1949 having one of its branch offices at Mumbai Nariman Point, have entered into an Escrow Agreement dated August 01, 2016 for the purpose of the Offer (the “Offer Escrow Agreement”) in accordance with Regulation 17 of the SEBI (SAST) Regulations. In terms of the Escrow Agreement, the Acquirers have opened an Escrow Account and deposited cash of Rs. 9,360,000 (Rupees Ninety Three Lacs and Sixty Thousand Only) being 25% of the total consideration payable.

- D. The Acquirers have authorized the Manager to the Offer to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

- E. Mr. V. Veera Reddy (Membership No. 233770), Proprietor of Veera Reddy Vennapusa Chartered Accountants having office at Flat No. 202, Sri Enclave, Beside Axis Bank Sri Nagar Colony Road, Ameerpet, Hyderabad – 500073, Telangana; Tel. No. +91-9959073743; vide certificate dated July 30, 2016 has certified that Acquirer 1 has adequate net worth and sufficient resources to meet the fund requirement for this takeover open offer.

- F. Mr. Y. Sai Karunakar (Membership No. 207033), Partner of P.S.N. Ravishanker & Associates, Chartered Accountant having office at Flat No. 205, 2nd Floor, B-Block, Kushal Towers, #6-2-975 Khairatabad, Hyderabad – 500004; Tel. No.: 040-23320558 & 040-23393381; Fax. No.: 040-23393381, vide certificate dated July 30, 2016 has certified that the Acquirer 1 has adequate net worth and sufficient resources to meet the fund requirement for this takeover open offer.

- G. Based on the above and in the light of the escrow arrangement, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to fulfill their obligations through verifiable means in relation to the Offer in accordance with the Regulations.

VI. **STATUTORY AND OTHER APPROVALS**

- A. Shareholder of the Target Company who are either Non-Resident Indians (“NRIs”) or Overseas Corporate Bodies (OCBs) and wish to tender their Equity Shares in this Open Offer shall be required to submit all the applicable approvals (specific and general) from the Reserve Bank of India (RBI) that they have obtained at the time of their acquisition of the Equity Shares of the Target Company, as may be applicable. In the event such approvals from the RBI are not submitted, the Acquirers reserve the sole right to reject the Equity Shares tendered by such shareholders in the Open Offer. This Open Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirer from NRIs and OCBs.
B. As of the date of this DPS, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Open Offer. If any other statutory approvals required or become applicable, the Open Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Open Offer in the event such statutory approvals that are required are refused in terms of Regulation 23 of SEBI (SAST) Regulations. This Open Offer is subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer.

- C. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

- D. The Acquirers do not require any approval from financial institutions/ banks in India for the Offer.

- E. The Manager to the Offer i.e. Corporate Professionals Capital Private Limited does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer. They declare and undertake that they shall not deal in the Equity Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.

VII. **TENTATIVE SCHEDULE OF ACTIVITY**

| Activity | Date | Day |
|--|--------------------|-----------|
| Public Announcement | July 30, 2016 | Saturday |
| Detailed Public Statement | August 05, 2016 | Friday |
| Filing of draft offer document with SEBI | August 12, 2016 | Friday |
| Identified Date* | September 09, 2016 | Friday |
| Last date for a competing offer | August 30, 2016 | Tuesday |
| Comments on the Offer by a Committee of Independent Directors constituted by the BODs of the Target Company | September 21, 2016 | Wednesday |
| Date by which Letter of Offer will be dispatched to the shareholders | September 19, 2016 | Monday |
| Upward Revision in Offer | September 20, 2016 | Tuesday |
| Issue of advertisement announcing the schedule of activities for Open Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company | September 23, 2016 | Friday |
| Offer Opening Date | September 26, 2016 | Monday |
| Offer Closing Date | October 07, 2016 | Friday |
| Last date of communicating of rejection/ acceptance and payment of consideration for accepted tenders/return of unaccepted shares | October 25, 2015 | Tuesday |
| Filing of Report to SEBI by Manager to the Offer | November 02, 2016 | 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 owners (registered or unregistered) of equity shares of the Target Company (except the Acquirers) are eligible to participate in the Offer any time before the closure of the Offer.

VIII. **PROCEDURE FOR TENDERING THE SHARES**

- A. All owners of equity shares, registered or unregistered, are eligible to participate in the Offer (except the Acquirers, existing promoters along with persons deemed to be acting in concert with such parties) any time before closure of the Offer.
B. 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.
C. The Open Offer will be implemented by the Acquirer 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 and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI.
D. BSE shall be the Designated Stock Exchange for the purpose of tendering Equity Shares in the Open Offer.
E. The Acquirer has appointed **Alankit Assignments Limited (“Buying Broker”)** as its broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:
Name: Alankit Assignments Limited;
Communication Address: Alankit Assignments Limited, Alankit Heights, IE/13, Jhandewalan Extension, New Delhi – 110055;
Contact Person: Mr. M.C. Agrawal;
Phone: 011-42541202/783;
Email ID: mcag@alankit.com;

- F. All shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock brokers (“Selling Broker”) within the normal trading hours of the secondary market, during the tendering period.
G. Such Equity Shares would be transferred to the respective Selling Broker's pool account prior to placing the bid.
H. A separate Acquisition Window will be provided by the stock exchange to facilitate placing of sell orders. The Selling Broker can enter orders for dematerialized as well as physical Equity Shares.

IX. **THE DETAILED PROCEDURE FOR TENDERING THE SHARES IN THE OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER**

X. **OTHER INFORMATION**