

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder of Elpro International Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager / Registrar to the Offer. In case you have recently sold your Equity Shares in the Target, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgment and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

VOLUNTARY OPEN OFFER BY

International Conveyors Limited
Registered Office: Falta SEZ, Sector - II, Near Pump No. 3, Village - Akalmegh, Mouza Akalmegh, West Bengal - 743 504
Corporate office: 10, Middleton Row, Kolkata - 700 071
Tel. No.: +91 33 2229 3744; **Fax No.:** +91 33 2217 2269
E-mail id: sambhaw@gmail.com

R. C. A. Limited
Registered Office: 10, Middleton Row, Kolkata - 700 071
Tel. No.: +91 33 2229 3744; **Fax No.:** +91 33 2217 6629
E-mail id: sambhaw@gmail.com

International Conveyors Limited and R. C. A. Limited collectively referred to as the "Acquirers" and individually as the "Acquirer"

**Alongwith the person acting in concert
 I G E (India) Private Limited ("PAC")**

Registered Office: 16, India Exchange Place, Kolkata - 700 001. **Tel. No.:** +91 33 22307895; **E-mail id:** sambhaw@gmail.com

To acquire

**Upto 4,65,000 Equity Shares of face value of ₹ 10/- each representing 10.08% of the Paid up Equity Share Capital
 Of**

Elpro International Limited ("Target")

Registered Office: "Nirmal", 17th Floor, Nariman Point, Mumbai - 400 021. **Tel. No.:** +91 22 4029 9000, **Fax No.:** +91 22 2202 7995

At a price of ₹ 325 (Rupees Three Hundred Twenty Five Only) per fully paid up Equity Share payable in cash

Pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (the "SEBI Takeover Regulations").

- This Offer is being made by the Acquirers and PAC pursuant to Regulation 6 of SEBI Takeover Regulations and subsequent amendments thereto for substantial acquisition of Shares and voting rights of the Target.
- As of the date of this Letter of Offer, to the best of the knowledge of Acquirers and PAC, there are no regulatory or statutory approvals required by the Acquirers and PAC for this Offer. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals.
- The Offer is not subject to any minimum level of acceptance.
- If there is any upward revision in the Offer Price by the Acquirers and PAC at any time prior to the commencement of the last three Working Days before the commencement of the tendering period i.e. May 06, 2014, the same would be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers and PAC for all the Shares validly tendered anytime during the Offer.
- This Offer is not a competing offer in terms of Regulation 20 of the SEBI Takeover Regulations.
- As per the information available with the Acquirers and the PAC, no competing bid has been announced as of the date of this Letter of Offer.**
- A copy of Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgment) is also available on the website of Securities and Exchange Board of India (the "SEBI"), i.e. www.sebi.gov.in.

All future correspondence should be addressed to the Manager / Registrar to the Offer at the following addresses:

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|---|--|
|  <p>SPA Capital Advisors Limited SEBI Regn. No.: INM000010825 25, C - Block, Community Centre, Janak Puri, New Delhi - 110 058, India Tel. No. +91 11 2551 7371, 4567 5500; Fax No. +91 11 2553 2644 E-mail ID: elpro.openoffer@spagroupindia.com Investor grievance E-mail id: grievances.mb@spagroupindia.com Website: www.spacapital.com Contact Person: NitiN Somani / Ashi Sood</p> |  <p>Sharex Dynamic (India) Private Limited SEBI Regn. No.: INR000002102 Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai - 400 072, India Tel. No. +91 22 2851 5606 / 44; Fax No. +91 22 2851 2885 E-mail ID: sharexindia@vsnl.com Investor grievance E-mail id: baliga@sharexindia.com Website: www.sharexindia.com Contact Person: B S Baliga</p> |

SCHEDULE OF ACTIVITIES OF THE OFFER

| Activity | Original Schedule | | Revised Schedule | |
|---|-------------------|-----------|-------------------|-----------|
| | Date | Day | Date | Day |
| Public Announcement | January 17, 2014 | Friday | January 17, 2014 | Friday |
| Detailed Public Statement | January 24, 2014 | Friday | January 24, 2014 | Friday |
| Last date for a competing Offer | February 14, 2014 | Friday | February 14, 2014 | Friday |
| Identified Date* | February 26, 2014 | Wednesday | April 25, 2014 | Friday |
| Last date by which Letter of Offer will be dispatched to the Shareholders | March 06, 2014 | Thursday | May 05, 2014 | Monday |
| Last date for upward revision in Offer Price | March 07, 2014 | Friday | May 06, 2014 | Tuesday |
| Last date by which Committee of Independent Directors of the Board of Target shall give its recommendations / comments | March 10, 2014 | Monday | May 07, 2014 | Wednesday |
| Issue of advertisement announcing the Schedule of Open Offer and status of requisite statutory approvals | March 12, 2014 | Wednesday | May 09, 2014 | Friday |
| Offer Opening Date | March 13, 2014 | Thursday | May 12, 2014 | Monday |
| Offer Closing Date | March 27, 2014 | Thursday | May 26, 2014 | Monday |
| Last date of communication of acceptance / rejection and payment of consideration for accepted tenders / return unaccepted Shares | April 15, 2014 | Tuesday | June 09, 2014 | Monday |

* Identified Date is only for the purpose of determining the names of the Shareholders of the Target to whom the Letter of Offer would be sent.

RISK FACTORS

Given below are the risks related to the transaction, proposed Offer and those associated with the Acquirers and PAC:

- (1) In the event that either (a) the statutory or regulatory approvals, if any required, are not received in a timely manner (b) there is any litigation to stay the Offer, or (c) SEBI instructs the Acquirers and PAC not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public Shareholders of Target, whose Shares have been accepted in the Offer as well as the return of Equity Shares not accepted by the Acquirers and PAC, may be delayed. In case of delay in receipt of any statutory or regulatory approval, SEBI has the power to grant extension of time to Acquirers and PAC for payment of consideration to the public Shareholders of the Target who have accepted the Offer within such period, subject to Acquirers and PAC agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI Takeover Regulations.
- (2) In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis and there is no certainty that all the Equity Shares tendered by the Public Shareholders in the Offer will be accepted.
- (3) Shareholders should note that the Shareholders who have tendered their acceptance to the Open Offer are not entitled to withdraw such acceptance during Tendering Period, even if the acceptance of Equity Shares under the Open Offer and dispatch of consideration are delayed. The tendered Shares and documents would be held by the Registrar to the Offer till such time the process of acceptance of Equity Shares tendered and the payment of consideration is completed.
- (4) The Acquirers and PAC make no assurance with respect to the financial performance of the Target and disclaims any responsibility with respect to any decision taken by the Shareholders on whether or not to participate in the Offer.
- (5) The Acquirers and PAC make no assurance with respect to its investment / divestment decisions relating to its proposed shareholding in the Target.
- (6) The Acquirers and PAC does not provide any assurance with respect to the market price of the Equity Shares of the Target before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
- (7) The Equity Shares tendered in response to the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer (in accordance with the SEBI Takeover Regulations and other applicable laws, rules and regulations), and the Shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such Equity Shares until the completion of the Offer or withdrawal of the Offer in accordance with Regulation 23(1) of the SEBI Takeover Regulations.
- (8) The Manager to the Offer and / or Acquirers and PAC accepts no responsibility for statements made otherwise than in the Letter of Offer / Detailed Public Statement / Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirers and PAC) would be doing so at his / her / its own risk.

The risk factors set forth above, pertain to the Offer and are not in relation to the present or future business or operations of the Target or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer. Shareholders of Target are advised to consult their stockbrokers or investment consultants, if any, for analysing all the risks with respect to their participation in the Offer.

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1. DEFINITIONS

| | |
|--|--|
| Acquirer(s) | ICL and RCA collectively as Acquirers and individually as Acquirer |
| Board | The Board of Directors of Target |
| Book Value per Share | Net Asset Value per Equity Share (i.e. Net worth / Number of Equity Shares issued) |
| BSE | BSE Limited |
| CIN | Corporate Identification Number |
| CDSL | Central Depository Services (India) Limited |
| Companies Act | The Companies Act, 1956, as amended from time to time. |
| CSE | The Calcutta Stock Exchange Limited |
| Depository Participant or DP | SPA Securities Limited |
| Detailed Public Statement | Detailed Public Statement which appeared in the newspapers on January 24, 2014 |
| DIN | Director Identification Number |
| Draft Letter of Offer | Draft Letter of Offer dated January 30, 2014 filed with SEBI |
| EPS / Earning Per Share | Profit after tax / Number of Equity Shares issued |
| Equity Share / Share | Fully paid up Equity Share(s) of the Target, having a face value of ₹ 10 each |
| Erstwhile SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 |
| Escrow Agreement | Escrow Agreement dated January 18, 2014 between the Acquirers, PAC, Escrow Agent and Manager to the Offer |
| Escrow Bank / Escrow Agent | Axis Bank Limited |
| FEMA | The Foreign Exchange Management Act, 1999, as amended or modified from time to time |
| FII | Foreign Institutional Investor |
| FIPB | The Foreign Investment Promotion Board, Ministry of Finance, Government of India |
| ICL | International Conveyors Limited, having its registered office at Falta SEZ, Sector-II, Near Pump No. 3, Village-Akalmegh, Mouza Akalmegh, West Bengal - 743 504 and Corporate office at 10, Middleton Row, Kolkata - 700 071 |
| IGE | I G E (India) Private Limited, having its registered office at 16, India Exchange Place, Kolkata - 700 001 |
| Identified date | April 25, 2014 i.e. the date falling on the 10th Working Day prior to the commencement of the Tendering period, for the purpose of determining the Shareholders of the Target to whom the Letter of Offer shall be sent |
| Letter of Offer | Letter of Offer dated April 29, 2014 |
| Manager to the Offer / Merchant Banker | SPA Capital Advisors Limited |
| N.A. | Not Applicable |
| NRI | Non Resident Indian |
| NSDL | National Securities Depository Limited |
| OCB | Overseas Corporate Bodies as defined under FEMA |
| Offer / Open Offer | Offer to acquire 4,65,000 Equity Shares of face value of ₹ 10/- each representing 10.08% of the total paid up Equity Share Capital of the Target at the Offer Price as of the tenth (10th) Working Day from the closure of the Tendering Period, payable in cash and subject to the terms and conditions mentioned in the Letter of Offer, the Public Announcement and Detailed Public Statement in terms of Regulation 6(1) of the SEBI Takeover Regulations. |
| Offer Closing Date | May 26, 2014 |
| Offer Opening Date | May 12, 2014 |
| Offer Period | The period between the date of Public Announcement, i.e. January 17, 2014, and the date of payment of consideration to the Shareholders of the Target who have accepted this Offer. |

| | |
|--|--|
| Offer Price | ₹ 325 (Rupees Three Hundred Twenty Five Only) per fully paid up Equity Share payable in cash |
| PAC / Person acting in concert | IGE |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| Persons eligible to participate in the Offer | Registered Shareholders of the Target and unregistered Shareholders who own the Equity Shares of the Target at any time prior to the closure of Offer, including the beneficial owners of the Shares held in dematerialised form, except the persons forming part of the Promoter and Promoter Group of the Target as per clause 35 of the Listing Agreement with the Stock Exchange(s) including the Acquirers and PAC. |
| Public Announcement | Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirers and PAC on January 17, 2014 in accordance with SEBI Takeover Regulations |
| RBI | Reserve Bank of India |
| RCA | R. C. A. Limited, having its registered office at 10, Middleton Row, Kolkata - 700 071 |
| Registrar or Registrar to the Offer | Sharex Dynamic (India) Private Limited |
| Return on Net Worth | (Profit After Tax / Net Worth) *100 |
| INR / Rs. / ₹ | Indian Rupees |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI | Securities and Exchange Board of India |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto |
| Stock Exchange | BSE |
| Target or EIL | Elpro International Limited |
| Tendering Period | Period commencing from May 12, 2014 and ending on May 26, 2014 |
| Working Day | Working day of SEBI |

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ELPRO INTERNATIONAL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE PAC OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS AND PAC DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, “SPA CAPITAL ADVISORS LIMITED” HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 30, 2014 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS AND PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1. Background of the Offer

3.1.1. The offer is a voluntary offer made by the Acquirers and the PAC under Regulation 6(1) read with Regulation 13(3) of the SEBI Takeover Regulations for substantial acquisition of Shares and Voting Rights to consolidate their holding in the Target. ICL and RCA are the Acquirers under the Offer and IGE is the Person acting in concert in relation to this Offer within the meaning of Regulation 2(1)(q) of the SEBI Takeover Regulations.

3.1.2. Acquirers and PAC are part of the Promoter Group of the Target. The list of individuals / bodies corporate, forming part of the Promoter Group, as per clause 35 of the listing agreement with the Stock Exchange(s), along with their shareholding in the Target as on the date of the Letter of Offer is as stated below:

| Name of Individual / Entity | No. of Shares | Percentage |
|---|------------------|--------------|
| Individuals / Hindu Undivided Family | | |
| Mr. Rajendra Kumar Dabriwala | 84,259 | 1.83 |
| Mrs. Yamini Dabriwala | 86,065 | 1.87 |
| Bodies Corporate | | |
| I G E (India) Private Limited | 18,84,880 | 40.87 |
| International Conveyors Limited | 3,47,058 | 7.53 |
| R.C.A Limited | 1,76,572 | 3.83 |
| Total | 25,78,834 | 55.92 |

3.1.3. In terms of the first proviso to Regulation 6(1) of the SEBI Takeover Regulations, neither the Acquirers nor the PAC have acquired or have been allotted any Equity Shares in the fifty two (52) weeks preceding the date of the Public Announcement.

3.1.4. The Offer is not a result of global acquisition resulting in indirect acquisition of Target and will not result in the change in control and management of the Target. As on the date of this Letter of Offer, the Acquirers and PAC collectively holds 24,08,510 Equity Shares aggregating 52.23% of the paid up Equity Capital and Voting Rights in the Target.

3.1.5. The Acquirers and PAC have not been prohibited by SEBI from dealing in securities in terms of any direction issued under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

3.1.6. No change is proposed by the Acquirers and PAC on the Board of the Target after the Offer.

3.1.7. Mr. Surbhit Dabriwala, Director of the Target and is also one of the Promoters of the Target is related to the Promoter, namely Mr. Rajendra Kumar Dabriwala, of the Target. The aforesaid Director has consented not to participate in any deliberations of the Board of Directors of the Target or vote on any matter in relation to the Open Offer being put to vote in the Board Meeting of the Target in compliance with Regulation 24(4) of the SEBI Takeover Regulations.

3.1.8. The recommendations of the Committee of Independent Directors, as constituted by the Board of Directors of the Target on the Offer, will be published at least two Working Days before the commencement of the tendering period in the same newspapers where the Detailed Public Statement was published and a copy whereof shall be sent to SEBI, BSE and the Manager to the Offer.

3.2. Details of the Proposed Offer

- 3.2.1. In accordance with Regulations 14(1) and 14(3) of the SEBI Takeover Regulations, the Manager to the Offer, on behalf of the Acquirers and PAC, has submitted to BSE, SEBI and the Target a copy of the Public Announcement made on January 17, 2014 and the Detailed Public Statement on January 24, 2014 which was published in the following newspapers:

| Publication | Editions |
|-----------------------------|---|
| Business Standard - Hindi | All editions |
| Business Standard - English | All editions |
| Nav Shakti - Marathi | Mumbai edition, being the place where the registered office of the Target is situated and Stock Exchange, i.e. BSE, where Equity Shares of the Target are listed. |

The Public Announcement and Detailed Public Statement are also available on the SEBI website at www.sebi.gov.in.

- 3.2.2. This Open Offer is made by Acquirers and PAC in terms of the SEBI Takeover Regulations to the Shareholders of Target (other than Promoter Group) to acquire 4,65,000 (Four Lakhs Sixty Five Thousand Only) Equity Shares of face value of ₹ 10/- each representing 10.08% of the Paid up Equity Share Capital of the Target at a price of ₹ 325 (Rupees Three Hundred Twenty Five Only) per fully paid up Equity Share ("Offer Price"), payable in cash subject to the terms and conditions set out in the Public Announcement, Detailed Public Statement and this Letter of Offer.
- 3.2.3. There are no partly paid up Equity Shares / outstanding convertible instrument in the Target.
- 3.2.4. No differential price is being offered by the Acquirers and PAC.
- 3.2.5. This Offer is not a competing offer in terms of Regulation 20 of the SEBI Takeover Regulation. There have been no competing offers as of date of this Letter of Offer.
- 3.2.6. This is not a conditional offer and is not subject to any minimum level of acceptance from the Shareholders. The Acquirers and PAC will accept the Equity Shares of the Target which are tendered in valid form in terms of this Offer upto a maximum of 4,65,000 (Four Lakhs Sixty Five Thousand Only) Equity Shares.
- 3.2.7. The Acquirers and PAC have not acquired any Equity Shares of the Target from the date of Public Announcement i.e. January 17, 2014 and upto the date of this Letter of Offer.
- 3.2.8. In terms of Regulation 6(1) of the SEBI Takeover Regulations, during the Offer Period, the Acquirers or the PAC will not acquire any Shares other than those tendered in this Offer. Further, in terms with Regulation 6(2) of the SEBI Takeover Regulations, the Acquirers or the PAC will not acquire any Shares for a period of six months after completion of the Offer except pursuant to another open offer as permitted under Regulation 6(2) of the SEBI Takeover Regulations.
- 3.2.9. The Equity Shares of the Target will be acquired by the Acquirers and PAC 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 declared thereafter.
- 3.2.10. Upon the completion of the Offer, assuming full acceptances in the Offer, the Acquirers and PAC will hold 28,73,510 (Twenty Eight Lakhs Seventy Three Thousand Five Hundred Ten Only) Equity Shares constituting 62.31% of the paid up Equity Share Capital of the Target.
- 3.2.11. Upon completion of the Offer, assuming full acceptances in the Offer, the consolidated holding of the Promoter and Promoter Group (including Acquirers and PAC) will be 30,43,834 (Thirty Lakhs Forty Three Thousand Eight Hundred Thirty Four Only) Equity Shares constituting 66.00% of the Paid up Equity Share Capital of the Target. As per Clause 40A of the Listing Agreement read with Rule 19A of

Securities Contract (Regulation) Rules, 1957 ("SCRR"), the Target is required to maintain at least 25% public shareholding (i.e. Equity Shares of the Target held by the public excluding the Equity Shares held by custodian against depository receipts issued overseas) as determined in accordance with the SCRR, on a continuous basis for listing. Pursuant to this Offer, the public shareholding in the Target shall not reduce below the minimum level required as per the listing agreements entered into by the Target with BSE read with Rule 19A of the SCRR.

- 3.2.12. The Manager to the Offer does not hold any Equity Shares in the Target as at the date of Public Announcement and / or Detailed Public Statement and / or Letter of Offer. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target during the Offer Period.

3.3. Object of the Acquisition / Offer

- 3.3.1. The Acquirers and PAC are part of the Promoter Group of the Target. The Promoters propose to extend support to continue and expand the existing business of the Target. The main purpose of the above mentioned acquisition and the Offer is to consolidate the shareholding of the Acquirers and PAC in the Target. The Acquirers and PAC plan to continue the business of the Target as it has done in the past and therefore will not have any adverse repercussions on the employment and / or the location of the Target's place of business.

- 3.3.2. The Acquirers and PAC does not intend to alienate any material assets of the Target or of any of its subsidiaries whether by sale, lease, encumbrance or otherwise outside the ordinary course of business of the Target. Except as mentioned, in the event any substantial assets of the Target or of any of its subsidiaries are proposed to be sold, disposed off or otherwise encumbered in the succeeding two years from the date of closure of the Open Offer, the Acquirers and PAC undertakes that it shall do so only upon receipt of prior approval of the Shareholders of the Target through Special Resolution in terms of Regulation 25(2) of the SEBI Takeover Regulations and subject to applicable laws as may be required.

4. BACKGROUND OF THE ACQUIRERS AND PAC

4.1. Acquirer - International Conveyors Limited ("ICL" / "Acquirer 1")

- 4.1.1. International Conveyors Limited ("ICL" / "Acquirer 1") was incorporated as a public limited company on June 18, 1973 with the Registrar of Companies, West Bengal. ICL received the Certificate for Commencement of Business on June 22, 1973. The registered office of ICL is situated at Falta SEZ, Sector - II, Near Pump No. 3, Village - Akalmegh, Mouza Akalmegh, West Bengal - 743 504 and the corporate office is situated at 10, Middleton Row, Kolkata - 700 071. The Corporate Identification Number of ICL is L21300WB1973PLC028854.

- 4.1.2. ICL is engaged in the business of manufacturing of solid woven, fabric reinforced, PVC-impregnated and PVC coated fire retardant anti-static conveyor belting. ICL is primarily catering to the requirements of PVC conveyor belts for underground coal mines.

- 4.1.3. Mr. Rajendra Kumar Dabriwala, s/o Late Sh. Shiwchand Ray Dabriwala, resident of 41/1A Jhowtala Road, Kolkata - 700 019 is the Promoter of ICL.

- 4.1.4. As on the date of this Letter of Offer, ICL constitutes part of the Promoter Group of the Target and holds 3,47,058 Equity Shares representing 7.53% of the total paid up Equity Share Capital / Voting Rights of the Target. ICL has complied with the provisions of Chapter V of the SEBI Takeover Regulations and / or Chapter II of the erstwhile SEBI Takeover Regulations, wherever applicable, within the time specified therein.

4.1.5. Shareholding pattern of ICL as on March 31, 2014 is as under:

| Shareholders' Category | No. of Shares | Percentage |
|------------------------------------|--------------------|---------------|
| Promoter and Promoter Group | 3,58,96,306 | 53.18 |
| Non Promoter Shareholding | | |
| - Central / State Governments | - | - |
| - Financial Institutions / Banks | - | - |
| - Mutual Funds | - | - |
| - Insurance Companies | - | - |
| - FIs | 2,62,02,400 | 38.82 |
| - Bodies Corporate | 8,74,794 | 1.30 |
| - Individuals | 44,86,978 | 6.65 |
| - Others | 39,522 | 0.06 |
| - Other Non Public shareholding | - | - |
| Total Paid Up Capital | 6,75,00,000 | 100.00 |

4.1.6. The details of Board of Directors of ICL, as on the date of Letter of Offer is as follows:

| Name, DIN and Designation / Category | Address | Qualification and Experience | Date of appointment |
|--|--|--|---------------------|
| Mr. Rajendra Kumar Dabriwala DIN: 00086658 Managing Director | 41/1A, Jhowtala Road, Kolkata - 700 019 | Mr. Rajendra Kumar Dabriwala holds the qualification of EPD (IIM, Calcutta) and OPM from Harvard University, USA and has over 48 years of experience in the fields of manufacturing, trading, mining and financial services. | June 18, 1973 |
| Mr. Jinesh Suryakant Vanzara DIN: 00239574 Director | Rowland Regency, Flat No. F5, 5th Floor, 2/1, Rowland Road, Kolkata - 700 020 | Mr. Jinesh Suryakant Vanzara is B.Com (Hons), Fellow Chartered Accountant, Grad CWA and has over 25 years of experience in the field of auditing and direct taxation. He is a partner of M/s J S Vanzara & Associates, Chartered Accountants | April 28, 2008 |
| Mr. Lakshmikant Tibrawalla DIN: 00423521 Director | 34, Ballyganj Park, Kolkata - 700 019 | Mr. Lakshmikant Tibrawalla holds B.com degree from Calcutta University and has over 45 years of experience in the field of coal and coke industry. | December 19, 2006 |
| Mr. Mahadeo Prasad Jhunjunwala DIN: 00567070 Director | 12C, Chakraberia Road (N), Kolkata - 700 020 | Mr. Mahadeo Prasad Jhunjunwala holds B.Com degree from Calcutta University and has over 65 years of experience in the field of finance and taxation, corporate legal matters, administrative and functional areas of corporate entity. | August 31, 1979 |
| Mr. Thirupal Reddy Kunchala DIN: 03330182 Director | Plot # 18, B N Reddy Colony, #8-2-293/174/A/3, Road # 14, Banjara Hills, Hyderabad - 500 034 | Mr. Thirupal Reddy Kunchala holds M.Sc., MBA degree (SV University and University of Madras) and has over 43 years of experience in the sales and marketing areas out of which he has an experience of about 33 years in PVC Belting Industry. | February 14, 2012 |
| Mr. Sunit Mehra DIN: 00359482 Director | 412-B, Trade World, Kamla Mills, Lower Parel, Mumbai - 400 013 | Mr. Sunit Mehra has experience in the field of human resource management. | January 17, 2014 |

4.1.7. As on the date of this Letter of Offer, none of the Directors of ICL is a Director on the Board of the Target. Mr. Rajendra Kumar Dabriwala, Managing Director of ICL is also Promoter of the Target.

4.1.8. Brief audited consolidated financial statements of ICL for financial years ended March 31, 2013, March 31, 2012 and March 31, 2011 along with un-audited standalone financial results for the nine months period ended December 31, 2013:

(all figures in ₹ lakhs except otherwise stated)

| Particulars | Nine months period Ended 31.12.2013 (Unaudited) ¹ | Year Ended 31.03.2013 | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|---|--------------------------|--------------------------|--------------------------|
| Profit and Loss Statement | | | | |
| Income from Operations (Net) | 10,890.00 | 11,624.81 | 9,705.69 | 7,805.96 |
| Other Income | 138.00 | 354.22 | 977.67 | 322.44 |
| Total Income | 11,028.00 | 11,979.03 | 10,683.36 | 8,128.40 |
| Total Expenditure | | | | |
| Profit before Depreciation, Interest and Tax | | 2,824.53 | 2,509.56 | 1,142.38 |
| | 1,920.00 | | | |
| Depreciation | 445.00 | 743.97 | 478.39 | 389.66 |
| Interest | 357.00 | 608.98 | 596.42 | 325.31 |
| Exceptional item | - | - | - | - |
| Profit Before Tax | 1,118.00 | 1,471.58 | 1,434.75 | 427.41 |
| Provision for Tax | 339.00 | 424.93 | 417.10 | 152.56 |
| Profit after tax | 779.00 | 1,046.65 | 1,017.65 | 274.85 |
| Balance Sheet Statement | | | | |
| Paid up Share Capital | 675.00 | 675.00 | 675.00 | 675.00 |
| Reserves and Surplus | N.A. | 6,824.17 | 5,974.95 | 5,153.43 |
| Net worth | N.A. | 7,499.17 | 6,649.95 | 5,828.43 |
| Deferred Tax Liability | N.A. | 63.10 | 137.98 | 10.88 |
| Secured Loans | N.A. | 749.95 | 1,170.44 | 2,795.06 |
| Unsecured Loans | - | 38.49 | 48.82 | 1,197.28 |
| Total (Loans) | N.A. | 788.44 | 1,219.26 | 3,992.34 |
| Uses of funds | | | | |
| Goodwill on consolidation | - | 101.14 | 101.14 | - |
| Net Fixed Assets (including Capital Work in Progress) | N.A. | 3,365.88 | 3,909.80 | 1,558.97 |
| Investments | N.A. | 3,188.21 | 188.21 | 430.12 |
| Long-term loans and advances | N.A. | 347.69 | 3,161.31 | - |
| Other non current assets | N.A. | 73.35 | 197.48 | - |
| Net Current Assets | N.A. | 1,274.44 | 449.26 | 7,842.56 |
| Total | N.A. | 8,350.71 | 8,007.20 | 9,831.65 |
| Other Financial Data | | | | |
| Dividend (%) | N.A. | N.A. | N.A. | N.A. |
| Earnings Per Share (in ₹) | 1.15 ³ | 1.52 | 1.52 | 0.41 |
| Net worth | N.A. | 7,499.17 | 6,649.96 | 5,828.43 |
| Return on Net worth (%) | N.A. | 13.96 | 15.30 | 4.72 |
| Book Value per Share (in ₹) | N.A. | 11.11 | 9.85 | 8.63 |

¹ The financial summary for the period ended December 31, 2013 is for nine months and on standalone basis as reported to BSE and hence not comparable. Limited review of the said results has been conducted by the Auditors of ICL. Further pursuant to an agreement with its wholly owned subsidiary, International Belting Limited, ICL has acquired the undertaking of the said subsidiary alongwith its assets and liabilities on a going concern basis with effect from April 19, 2013. Results for the nine months period ended December 31, 2013 include the operations of the said undertaking acquired.

² For the financial year 2010-11, there was no Subsidiary of ICL and hence no consolidated results were required to be prepared.

³ Not Annualized

4.1.9. The contingent liabilities of ICL as on March 31, 2013 are as under:

| Contingent liabilities not provided for in respect of : | 2012-13 (₹ in lakhs) |
|--|---------------------------------|
| a) Guarantees given by bank on behalf of the Company | 726.61 |
| b) Corporate Guarantees given by the Company | 1,450.00 |
| c) Excise duty demand under appeal before the Hon'ble Supreme Court of India | 17.35 |
| d) Income Tax matter under Appeal | 15.20 |

Note: Future cash outflows in respect of (c and d) above are dependent upon the outcome of judgments / decisions.

4.1.10. Equity Shares of ICL are listed at BSE (Scrip Code: 509709 and Scrip ID: INTLCONV) and CSE. The Equity Shares of ICL are not suspended from trading on BSE and CSE.

4.1.11. The closing price of the Shares of ICL as quoted on BSE on January 17, 2014 (i.e. the date of Public Announcement) is ₹10.25 (source: www.bseindia.com). No quotation is available for the shares of ICL on CSE during the last 10 years.

4.1.12. ICL has complied with all the provisions under Clause 49 of the Listing Agreement relating to the Corporate Governance.

4.1.13. Details of Compliance Officer of ICL is as follows:

Ms. Mohita Agrawal
Company Secretary
10 Middleton Row
Kolkata - 700 071
Tel. No.: +91 33 2229 3744
Fax No.: +91 33 2217 2269
E-mail: mohita@icbelting.com

4.2. Acquirer - R. C. A. Limited ("RCA" / "Acquirer 2")

4.2.1. R.C.A. Limited ("RCA" / "Acquirer 2") was incorporated as a public limited company on November 13, 1899 as The Raneegunge Coal Association, Limited. The name was changed to 'R. C. A. Limited', its present name, and RCA received the Fresh Certificate of Incorporation Consequent upon Change of Name dated March 05, 1997 from the Registrar of Companies, West Bengal. The Registered Office of RCA is situated at 10, Middleton Row, Kolkata - 700 071. The Corporate Identification Number of RCA is L10200WB1899PLC000255.

4.2.2. RCA is registered as Non Banking Financial Company with the Reserve Bank of India and engaged in the business of investments and finance.

4.2.3. Mr. Rajendra Kumar Dabriwala, s/o Late Sh. Shiwchand Ray Dabriwala, resident of 41/1A Jhowtala Road, Kolkata - 700 019 is the Promoter of RCA.

4.2.4. As on the date of this Letter of Offer, RCA constitutes part of the Promoter Group of the Target and holds 1,76,572 Equity Shares representing 3.83% of the total paid up Equity Share Capital / Voting Rights of the Target. RCA has complied with the provisions of Chapter V of the SEBI Takeover Regulations and / or Chapter II of the erstwhile SEBI Takeover Regulations, wherever applicable, within the time specified therein.

4.2.5. Shareholding pattern of RCA as on March 31, 2014 is as under:

| Shareholders' Category | No. of Shares | Percentage |
|------------------------------------|-----------------|---------------|
| Promoter and Promoter Group | 5,47,404 | 86.88 |
| Non Promoter Shareholding | | |
| - Central / State Governments | 480 | 0.08 |
| - Financial Institutions / Banks | 3,416 | 0.54 |
| - Mutual Funds | - | - |
| - Insurance Companies | 100 | 0.02 |
| - FIs | - | - |
| - Bodies Corporate | 1,732 | 0.27 |
| - Individuals | 73,428 | 11.65 |
| - Others | 3,508 | 0.56 |
| - Other Non Public shareholding | - | - |
| Total Paid Up Capital | 6,30,068 | 100.00 |

4.2.6. The details of Board of Directors of RCA, as on the date of Letter of Offer is as follows:

| Name, DIN and Designation / Category | Address | Qualification and Experience | Date of appointment |
|---|--|--|---------------------|
| Mr. Rajendra Kumar Dabriwala DIN: 00086658 Director | 41/1A, Jhowtala Road, Kolkata - 700 019 | Mr. Rajendra Kumar Dabriwala holds the qualification of EPD (IIM, Calcutta) and OPM from Harvard University, USA and has over 48 years of experience in the fields of manufacturing, trading, mining and financial services. | July 02, 1963 |
| Mrs. Indu Dabriwala DIN: 00546365 Director | 41/1A, Jhowtala Road, Kolkata - 700 019 | Mrs. Indu Dabriwala holds B.Com degree from Calcutta University and has over 40 years of experience and is an entrepreneur. | November 27, 2006 |
| Mr. Sambhaw Kumar Jain DIN: 02390371 Director | P-85, Scheme VII M, CIT Road, P.O. Kakurgachi, Kolkata - 700 054 | Mr. Sambhaw Kumar Jain is a Chartered Accountant and has over 18 years of experience in the field of corporate finance, taxation and compliances. | July 26, 2012 |

4.2.7. As on the date of this Letter of Offer, Mr. Sambhaw Kumar Jain, Director of RCA is Chief Financial Officer and Compliance Officer of the Target. Mr. Rajendra Kumar Dabriwala, Director of RCA is also Promoter of the Target.

4.2.8. Brief audited standalone financial statements of RCA for financial years ended March 31, 2013, March 31, 2012 and March 31, 2011 along with un-audited standalone financial results for the nine months period ended December 31, 2013:

(all figures in ₹ lakhs except otherwise stated)

| Particulars | Nine months period Ended 31.12.2013 (Unaudited) ¹ | Year Ended 31.03.2013 | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|--|--|-----------------------|-----------------------|-----------------------|
| Profit and Loss Statement | | | | |
| Income from Operations (Net) | 64.57 | 146.99 | 60.79 | 24.22 |
| Other Income | - | - | 1.07 | 0.19 |
| Total Income | 64.57 | 146.99 | 61.86 | 24.41 |
| Total Expenditure | 9.37 | 18.17 | 13.58 | 12.10 |
| Profit before Depreciation, Interest and Tax | 55.20 | 128.82 | 48.28 | 12.31 |
| Depreciation | 0.03 | 0.05 | 0.06 | 0.08 |
| Interest | 2.52 | 70.91 | 10.61 | - |
| Exceptional item | - | - | - | - |
| Profit Before Tax | 52.65 | 57.86 | 37.61 | 12.23 |
| Provision for Tax | 9.75 | 11.19 | 6.43 | 1.48 |
| Profit after tax | 42.90 | 46.67 | 31.18 | 10.75 |

| Particulars | Nine months period Ended 31.12.2013 (Unaudited) ¹ | Year Ended 31.03.2013 | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|--|-----------------------|-----------------------|-----------------------|
| Balance Sheet Statement | | | | |
| Paid up Share Capital | 63.01 | 63.01 | 63.01 | 63.01 |
| Reserves and Surplus | N.A. | 1,137.59 | 1,105.66 | 1,089.12 |
| Net worth | N.A. | 1,200.59 | 1,168.67 | 1,152.13 |
| Secured Loans | N.A. | - | - | - |
| Unsecured Loans | N.A. | - | - | - |
| Long Tem Provisions | N.A. | 7.18 | 6.17 | 5.28 |
| Total | N.A. | 7.18 | 6.17 | 5.28 |
| Uses of funds | | | | |
| Net Fixed Assets (including Capital Work in Progress) | N.A. | 0.26 | 0.31 | 0.37 |
| Investments | N.A. | 570.10 | 570.10 | 720.10 |
| Long Term Loans and Advances | N.A. | 11.64 | 8.98 | 18.00 |
| Deferred Tax Assets | N.A. | 2.25 | 1.84 | 1.66 |
| Net Current Assets | N.A. | 623.53 | 593.51 | 417.28 |
| Total | N.A. | 1,207.78 | 1,174.74 | 1,157.41 |
| Other Financial Data | | | | |
| Dividend (%) | N.A. | N.A. | N.A. | N.A. |
| Earnings Per Share (in ₹) | 6.81 ² | 7.41 | 4.95 | 1.71 |
| Net worth | N.A. | 1,200.59 | 1,168.67 | 1,152.13 |
| Return on Net worth (%) | N.A. | 3.89 | 2.67 | 0.93 |
| Book Value per Share (in ₹) | N.A. | 190.55 | 185.48 | 182.86 |

¹ The financial summary for the period ended December 31, 2013 is for nine months and hence not comparable. Limited review of the said results has been conducted by the Auditors of RCA.

² Not Annualized

- 4.2.9. RCA does not have any contingent liability as on March 31, 2013.
- 4.2.10. Equity Shares of RCA are listed at CSE. The Equity Shares of RCA are not suspended from trading on CSE. However RCA is not in compliance with the requirements of minimum public shareholding in terms of Clause 40A of the Listing Agreement.
- 4.2.11. No quotation is available for the shares of RCA on CSE during the last 10 years.
- 4.2.12. Since the Paid up equity share capital of RCA is less than ₹ 3 crores, the provisions of Clause 49 of the listing agreement is not applicable.
- 4.2.13. Details of Compliance Officer of RCA is as follows:

Mr. Rajendra Kumar Nahata
Compliance Officer
10 Middleton Row
Kolkata - 700 071
Tel. No.: +91 33 22293744
Fax No.: +91 33 22172269
E-mail: rcaltd@rediffmail.com

4.3. Person Acting in Concert - I G E (India) Private Limited (“IGE” / “PAC”)

- 4.3.1. I G E (India) Private Limited (“IGE” / “PAC”) was incorporated as a private limited company on October 31, 1930 as International General Electric Company (India) Limited. The name was changed to ‘I. G. E. (India) Limited’ and received the Fresh Certificate of Incorporation consequent upon Change of Name dated March 06, 1980. The Company was later converted into private limited company and the name was change to ‘I G E (India) Private Limited’ and the fresh Certificate of Incorporated dated March 26, 2012 was received from the Registrar of Companies, West Bengal. The Registered Office of RCA is situated at 16, India Exchange Place, Kolkata - 700 001. The Corporate Identification Number of IGE is U74999WB1930PTC152570. Faridabad Investment Company Limited was merged with I G E (India) Private Limited vide order of Hon’ble High Court of Calcutta with appointed date being July 01, 2010 to consolidate the business operations to achieve operational efficiency and economies of scale of operations of both the companies.
- 4.3.2. IGE is engaged in the business of trading in steel materials, Wind Power Generation and real estate rental activities and strategic investment.
- 4.3.3. Mr. Rajendra Kumar Dabriwala, s/o Late Sh. Shiwchand Ray Dabriwala, resident of 41/1A Jhowtala Road, Kolkata - 700 019 is the Promoter of IGE.
- 4.3.4. As on the date of this Letter of Offer, IGE constitutes part of the Promoter Group of the Target and holds 18,84,880 Equity Shares representing 40.87% of the total paid up Equity Share Capital / Voting Rights of the Target. IGE has complied with the provisions of Chapter V of the SEBI Takeover Regulations and / or Chapter II of the erstwhile SEBI Takeover Regulations, wherever applicable, within the time specified therein.
- 4.3.5. Shareholding pattern of IGE as on March 31, 2014 is as under:

| Shareholders’ Category | No. of Shares | Percentage |
|---|-----------------|---------------|
| Promoter and Promoter Group | | |
| - Rajendra Kuamr Dabriwala | 2,26,618 | 24.62 |
| - Rajendra Kumar Dabriwala & Sons (HUF) | 2,15,062 | 23.36 |
| - Indu Dabriwala | 95,395 | 10.36 |
| - Yamini Dabriwala | 1,89,875 | 20.63 |
| - International Conveyors Limited | 775 | 0.08 |
| - R. C. A. Limited | 775 | 0.08 |
| Non Promoter Shareholding | | |
| - Lotus Global Investment Limited | 38,369 | 4.17 |
| - Prime India Investment Fund Limited | 72,447 | 7.87 |
| - Cresta Fund Limited | 81,135 | 8.81 |
| Total Paid Up Capital | 9,20,451 | 100.00 |

- 4.3.6. The details of Board of Directors of the IGE, as on the date of Letter of Offer is as follows:

| Name, DIN and Designation / Category | Address | Qualification and Experience | Date of appointment |
|---|--|--|---------------------|
| Mr. Rajendra Kumar Dabriwala DIN: 00086658 Director | 41/1A, Jhowtala Road, Kolkata - 700 019 | Mr. Rajendra Kumar Dabriwala holds the qualification of EPD (IIM, Calcutta) and OPM from Harvard University, USA and has over 48 years of experience in the fields of manufacturing, trading, mining and financial services. | March 07, 1977 |
| Mr. Rajendra Kumar Nahata DIN: 00568668 Director | 23, Mahendra Nath Roy Lane, 5th Floor, Mullick Fatak, Howrah - 711 101 | Mr. Rajendra Kumar Nahata holds B.Com degree from Calcutta University and has over 35 years of experience in the field of finance and compliances. | November 30, 2012 |

| Name, DIN and Designation / Category | Address | Qualification and Experience | Date of appointment |
|---|--|---|---------------------|
| Mr. Sambhaw Kumar Jain DIN: 02390371 Director | P-85, Scheme VII M, CIT Road, P.O. Kakurgachi, Kolkata - 700 054 | Mr. Sambhaw Kumar Jain is a Chartered Accountant and has over 18 years of experience in the field of corporate finance, taxation and compliances. | November 11, 2008 |

4.3.7. As on the date of this Letter of Offer, Mr. Sambhaw Kumar Jain, Director of IGE is Chief Financial Officer and Compliance Officer of the Target. Mr. Rajendra Kumar Dabriwala, Director of IGE, is also Promoter of the Target.

4.3.8. Brief audited standalone financial statements of IGE for financial years ended March 31, 2013, March 31, 2012 and March 31, 2011 along with un-audited standalone financial results for the nine months period ended December 31, 2013:

(all figures in ₹ lakhs except otherwise stated)

| Particulars | Nine months period Ended 31.12.2013 (Unaudited) ¹ | Year Ended 31.03.2013 | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|---|--|-----------------------|-----------------------|-----------------------|
| Profit and Loss Statement | | | | |
| Income from Operations (Net) | 977.31 | 4,842.44 | 4,847.51 | 25,483.13 |
| Other Income | 680.43 | 561.74 | 534.77 | 3,261.49 |
| Total Income | 1,657.74 | 5,404.18 | 5,382.27 | 28,744.62 |
| Total Expenditure | 370.63 | 4,043.77 | 3,799.74 | 26,575.42 |
| Profit before Depreciation, Interest and Tax | 1287.11 | 1,360.41 | 1,582.53 | 2,169.20 |
| Depreciation | 206.77 | 316.92 | 308.58 | 261.18 |
| Interest | 551.72 | 1,057.94 | 1,131.99 | 887.16 |
| Exceptional item | - | 12,417.54 | - | - |
| Profit Before Tax | 528.62 | (12,431.98) | 141.96 | 1,020.86 |
| Provision for Tax | 41.58 | 1.98 | 24.93 | 120.98 |
| Profit after tax before share of Profit in Associates | - | - | - | - |
| Add: Share of Profit in Associate | - | - | - | - |
| Less: Share of Minority Interest | - | - | - | - |
| Profit after tax | 487.05 | (12,433.96) | 117.04 | 899.88 |
| Balance Sheet Statement | | | | |
| Paid up Share Capital | 92.05 | 95.86 | 95.86 | 95.86 |
| Reserves and Surplus (excluding revaluation reserves) | 48,543.58 | 37,028.57 | 49,462.53 | 49,345.49 |
| Net worth | 48,635.62 | 37,124.43 | 49,558.39 | 49,441.35 |
| Secured Loans (Long term) | 6,074.56 | 2,301.19 | 5,967.85 | 5,818.07 |
| Unsecured Loans (Long term) | - | - | - | - |
| Deferred Tax Liabilities (net) | - | - | - | 30.93 |
| Other Long Term Liabilities | 891.98 | 821.99 | 848.66 | 1206.44 |
| Long Term Provisions | 15.64 | 12.04 | 10.76 | 9.60 |
| Total | 6,982.18 | 3,135.22 | 6,827.27 | 7,065.04 |
| Uses of funds | | | | |
| Net Fixed Assets (including Capital Work in Progress) | 21,947.28 | 22,812.40 | 24,628.47 | 23,721.70 |
| Deferred Tax Assets (net) | 21.17 | 21.17 | (28.85) | - |
| Investments | 26,262.28 | 26,455.09 | 44,325.86 | 44,251.65 |
| Long Term Loans and Advances | - | 511.92 | 6,588.47 | 11,235.21 |

| Particulars | Nine months period Ended 31.12.2013 (Unaudited) ¹ | Year Ended 31.03.2013 | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|--------------------------|--|-----------------------|-----------------------|-----------------------|
| Other Non Current Assets | - | 275.70 | - | - |
| Net Current Assets | 7,387.08 | 7,871.57 | (509.13) | (3,103.06) |
| Total | 55,617.81 | 57,947.85 | 75,004.82 | 76,105.50 |

Other Financial Data

| | | | | |
|-----------------------------|-----------|------------|-----------|-----------|
| Dividend (%) | N.A. | N.A. | N.A. | N.A. |
| Earnings Per Share (in ₹) | 38.38 | (1,297.16) | 12.21 | 93.88 |
| Net worth | 31,606.00 | 37,124.43 | 49,558.39 | 4,9441.35 |
| Return on Net worth (%) | 1.12 | (33.49) | 0.24 | 1.82 |
| Book Value per Share (in ₹) | 3,433.57 | 3,872.97 | 5,170.14 | 5,157.93 |

¹ The financial summary for the period ended December 31, 2013 is for nine months and hence not comparable. The un-audited results for the said 9 months have been certified by the Auditors of IGE.

4.3.9. The contingent liabilities of IGE as on March 31, 2013 are as under:

| Contingent liabilities not provided for in respect of : | 2012-13 (₹ in lakhs) |
|--|----------------------|
| Sales Tax Order against which the Company has filed appeals | 2.00 |
| Claims against the Company not acknowledged as debt | 9.29 |
| - Sales tax matter relating to ex-parte orders passes by the department for the assessment year 1990-91 | |
| Other Income Tax Matter for which the Company is contingently liable: | |
| - Taxation decisions in favour of the Company in respect of which the department is in appeal | 25.30 |
| - Pending before Appellate authorities in respect of which the Company is in appeal and expects to succeed | 13.85 |
| Income Tax matter under Appeal | 15.20 |

4.3.10. IGE is a private limited company and its equity shares are not listed on any stock exchange.

5. BACKGROUND OF THE TARGET - ELPRO INTERNATIONAL LIMITED

5.1. Elpro International Limited ("Elpro" / "Target") was incorporated under the Indian Companies Act, 1956, on July 27, 1962 as 'Elpro International Limited' with the Registrar of Companies, Maharashtra and received the Certificate for Commencement of Business on November 14, 1962. The Registered Office of the Target is situated at 'Nirmal', 17th Floor, Nariman Point, Mumbai - 400 021. The Corporate Identification Number of the Target is L51505MH1962PLC012425. The present promoters of the Target are Mr. Rajendra Kumar Dabriwala and Mr. Surbhit Dabriwala.

5.2. Elpro was incorporated in technical and financial collaboration with General Electric (GE), USA. An ISO 9001-2000 company, Elpro is the number one manufacturer of Surge Arresters in Asia manufactured with technical knowhow from GE USA. Elpro International set up a metal oxide varistor manufacturing plant in its Pune facility in 1986 with technical expertise from GE. Elpro acquired the Zinc Oxide Disc (active elements of surge arresters) manufacturing line from M/s Harris, Ireland in 2001 and the same was installed in the company's Pune facilities in the year 2002.

Elpro has also made an investment of Rs. 26,864.77 lakhs for acquiring 25,56,33,397 equity shares of face value Rs. 10/- each of PNB MetLife India Insurance Company Private Limited ("PNB MetLife") aggregating to 12.70% of the equity capital of PNB MetLife.

Elpro has executed Joint Development Agreement with its subsidiary, Elpro Estates Limited, for development of commercial project admeasuring approximately 7,29,000 sq. ft. at Chinchwad, Pune.

5.3. Share Capital structure of the Target as on the date of Letter of Offer is as follows:

| Paid up Equity Share Capital of Target | No. of Shares (Face Value ₹ 10) / Voting Rights | Percentage of Shares / Voting Rights |
|---|--|---|
| Fully paid up Equity Shares | 46,11,677 | 100% |
| Partly paid up Equity Shares | Nil | Nil |
| Total paid up Equity Shares | 46,11,677 | 100% |
| Total voting rights in Target | 46,11,677 | 100% |

5.4. The Equity Shares of the Target are presently listed on BSE. The Equity Shares of the Target are not suspended from trading on BSE.

5.5. There are no outstanding partly paid up Equity Shares of the Target.

5.6. The Target does not have any outstanding convertible instruments.

5.7. As on the date of Letter of Offer, the composition of the Board of Directors of the Target is as under:

| Name | Designation | DIN | Address | Date of appointment |
|------------------------------------|-------------------------------------|------------|--|--------------------------------|
| Mr. Ramswarup Kundanmull Dabriwala | Managing Director | 00108875 | E-36A, Konark Indraprasth Housing Society Limited, Sarvodaya Nagar, Mulund, Mumbai - 400 080 | November 08, 2010 |
| Mr. Surbhit Dabriwala | Promoter & Non - executive Director | 00083077 | 80, Raffels Place, UOB Plaza #26-01, Singapore, 048624 | December 14, 1998 |
| Mr. Madhav Srinivasan | Executive Director | 06797420 | C-17, Rohan Prarthana, Opp. Gandhi Bhavan, Kothrud, Pune - 411 029 | January 28, 2014 |
| Mr. Narayan Tulsiram Atal | Independent Director | 00237626 | 13, Shree Vishnu Bhavanm K.A. Subramaniam RD, Kings Circle, Matunga, Mumbai - 400 019 | January 16, 2008 |
| Mr. Ashok Kumar Jeetmal Jain | Independent Director | 00392870 | C-2, View Residency, Baner Road, Pune - 411 045 | May 15, 2010 |
| Mr. Anil Kumar Poddar | Independent Director | 01627508 | C/o IGE (India) Private Limited, 17th Floor, Nariman Point, Mumbai - 400 021 | November 17, 2008 |
| Mrs. Samira Rathod | Independent Director | 00377056 | Lakshmi Niwas, Ground Floor, Plot No. B 455, Westfield Estate, B D Road, Mumbai - 400 026 | January 28, 2014 |

Mr. Surbhit Dabriwala, Director of the Target is related to the Promoter, namely Mr. Rajendra Kumar Dabriwala, of the Target. Further, the Chief Financial Officer and Compliance Officer of the Target, Mr. Sambhaw Kumar Jain is a Director on the Board of RCA and IGE.

5.8. The Target has not been party to any scheme of amalgamation, restructuring, merger / de merger and spin off during last 3 years.

5.9. Brief audited consolidated financial statements of the Target for financial years ended March 31, 2013, March 31, 2012 and March 31, 2011 along with un-audited standalone financial results for the nine months period ended December 31, 2013:

(all figures in ₹ lakhs except otherwise stated)

| Particulars | Nine months period Ended 31.12.2013 (Unaudited) ¹ | Year Ended 31.03.2013 | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|
| Profit and Loss Statement | | | | |
| Income from Operations (Net) | 2,037.88 | 3,400.32 | 3,145.03 | 3460.94 |
| Other Income | 19.54 | 62.83 | 77.29 | 766.56 |
| Total Income | 2,057.42 | 3,463.15 | 3,222.32 | 4227.50 |

| Particulars | Nine months period Ended 31.12.2013 (Unaudited) ¹ | Year Ended 31.03.2013 | Year Ended 31.03.2012 | Year Ended 31.03.2011 |
|--|--|-----------------------|-----------------------|-----------------------|
| Total Expenditure | 1,111.13 | 1,950.84 | 1,996.92 | 2,352.98 |
| Profit Before Depreciation, Interest and Tax | 946.29 | 1,512.31 | 1,225.40 | 1874.52 |
| Depreciation | 103.11 | 142.16 | 147.15 | 165.39 |
| Interest | 997.11 | 1,107.13 | 1,464.79 | 1047.36 |
| Exceptional item | - | 299.99 | 114.71 | (200) |
| Profit Before Tax | (153.94) | 563.01 | (271.83) | 461.77 |
| Provision for Tax | - | 32.50 | (2.77) | (38.41) |
| Profit After Tax before share of profit in Associates | - | 595.51 | (269.06) | 423.36 |
| Add: Share of Profit in Associates | - | 1.34 | 0.68 | 2.31 |
| Add: Share of Minority Interest (Loss) | - | (10.11) | (9.11) | 4.08 |
| Add: Pre acquisition Loss / (Profit) | - | (0.02) | - | - |
| Profit after Tax | (153.94) | 606.98 | (259.27) | 506.57 |
| Balance Sheet Statement | | | | |
| Sources of fund | | | | |
| Paid up Equity Share Capital | 461.17 | 461.17 | 461.17 | 461.17 |
| Cumulative Redeemable Preference Shares | 400.00 | 400.00 | - | - |
| Reserves and Surplus (excluding amalgamation reserves) | N.A. | 17,179.04 | 8,972.07 | 9231.33 |
| Net worth | N.A. | 18,040.21 | 9,433.24 | 9,692.50 |
| Minority Interest | - | 428.68 | 439.65 | 448.76 |
| Capital Reserve on Consolidation | - | 7.35 | 7.35 | 7.35 |
| Share Application Money pending allotment | - | - | - | 12,515.00 |
| Preference Capital (held by others) | - | - | - | - |
| Secured Loan | N.A. | 1,302.34 | 1,445.11 | 1,971.39 |
| Unsecured Loan | - | 386.23 | 336.11 | - |
| Other Long Term Liabilities | N.A. | 2,323.52 | 5,189.90 | 1,135.49 |
| Long Term Provisions | N.A. | 9.44 | 8.21 | 16.09 |
| Total | N.A. | 4,021.53 | 6,979.33 | 3,122.97 |
| Uses of fund | | | | |
| Net fixed assets | N.A. | 6,282.15 | 5,150.64 | 5761.85 |
| Goodwill on Consolidation | - | 73.84 | 73.68 | 73.68 |
| Investments | N.A. | 26,917.17 | 26,915.83 | 26925.19 |
| Deferred Tax Assets | - | 90.47 | 57.97 | 55.19 |
| Long Term Loans and Advances | N.A. | 386.08 | 339.70 | 94.20 |
| Net Current Assets | N.A. | (11,073.99) | (15,500.29) | (6945.57) |
| Total | N.A. | 22,675.72 | 17,037.53 | 25,964.54 |
| Other Financial Data | | | | |
| Dividend (%) | N.A. | N.A. | N.A. | N.A. |
| Earnings Per Share (in ₹) | (3.34) ² | 13.16 | (5.62) | 10.98 |
| Net worth | N.A. | 18,040.21 | 9,433.24 | 9692.50 |
| Return on Net worth (%) | N.A. | 3.36 | (2.75) | 5.23 |
| Book Value per Share (in ₹) | N.A. | 382.51 | 204.55 | 210.17 |

¹ The financial summary for the period ended December 31, 2013 is for nine months and on standalone basis (as disclosed to the Stock Exchanges) and hence not comparable. Limited review of the said results has been conducted by the Auditors of the Target.

² Not Annualized

5.10. Pre and Post Offer shareholding pattern of the Target is as under (as of January 17, 2014):

| Shareholders' Category | Shareholding / Voting Rights prior to the Offer | | Shares / Voting Rights to be acquired in the Offer (Assuming full Acceptance) | | Share holding / Voting Rights after the acquisition and Offer | |
|---|---|---------------|---|----------------|---|---------------|
| | (A) | | (C) | | (A)+(B)+(C)= (D) | |
| | No. | % | No. | % | No. | % |
| (1) Promoter group including the Acquirers and PAC | | | | | | |
| a. ICL | 3,47,058 | 7.53 | 3,42,000 | 7.41 | 6,89,058 | 14.94 |
| b. RAC | 1,76,572 | 3.83 | 1,23,000 | 2.67 | 2,99,572 | 6.50 |
| c. IGE | 18,84,880 | 40.87 | - | - | 18,84,880 | 40.87 |
| d. Promoters other than (a), (b) and (c) above | 1,70,324 | 3.69 | - | - | 1,70,324 | 3.69 |
| Total 1 (a + b + c + d) | 25,78,834 | 55.92 | 4,65,000 | 10.08 | 30,43,834 | 66.00 |
| (2) Parties to agreement, if any | | | | | | |
| (3) Public (other than parties to agreement and Acquirers and PAC) | | | | | | |
| a. Institutions (including FIs /MFs/ FIIIs/ Banks, SFIs) | 11,05,468 | 23.97 | (4,65,000) | (10.08) | 15,67,843 | 34.00 |
| b. Others | 9,27,375 | 20.11 | | | | |
| Total (3) (a + b) | 20,32,843 | 44.08 | (4,65,000) | (10.08) | 15,67,843 | 34.00 |
| GRAND TOTAL (1+2+3) | 46,11,677 | 100.00 | - | - | 46,11,677 | 100.00 |

Total number of public shareholders as on January 17, 2014 is 2,679.

5.11. The Target and its Promoter Group has complied with the provisions of Chapter V of the SEBI Takeover Regulations and Chapter II of the erstwhile SEBI Takeover Regulations within the time specified therein.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1. The Offer is made pursuant to the direct acquisition of Equity Shares of the Target by the Acquirers and PAC. The Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares of the Target.

6.1.2. The Equity Shares of the Target are presently listed on BSE (Scrip code: 504000; Scrip ID: "ELPRO").

6.1.3. The annualised trading turnover in the Equity Shares of the Target in the BSE based on trading volume during the twelve calendar months prior to the month of Public Announcement (i.e. January 01, 2013 to December 31, 2013) is as given below:

| Stock Exchange | Total No. of Equity Shares traded during the Twelve Calendar months prior to the month of Public Announcement | Total No. of Listed Equity Shares | Annualised Trading Turnover (as % of total Equity Shares listed) |
|----------------|---|-----------------------------------|--|
| BSE | 2,14,206 | 46,11,677 | 4.64% |

(Source: www.bseindia.com)

6.1.4. Based on the information available on the website of the Stock Exchanges, the Equity shares of the Target are infrequently traded on BSE (in terms of regulation 2(1)(j) of SEBI Takeover Regulations).

6.1.5. The Offer Price of ₹ 325 (Rupees Three Hundred Twenty Five Only) per Equity Share is justified in terms of Regulation 8(2) of the SEBI Takeover Regulations, being the highest of the following:

| Particulars | Amount (in ₹) |
|--|---------------|
| The highest negotiated price per Equity Share of the Target for any acquisition under the agreement attracting the obligation to make a Public Announcement of the Offer | N.A. |
| The volume-weighted average price paid or payable for acquisitions by the Acquirers and PAC during the fifty-two weeks immediately preceding the date of the Public Announcement | N.A. |
| The highest price paid or payable for any acquisition by the Acquirers and PAC during the twenty six weeks immediately preceding the date of the Public Announcement | N.A. |
| The volume-weighted average market price of Equity Shares for a period of sixty (60) trading days immediately preceding the date of the Public Announcement as traded on BSE, being Stock Exchange where the Equity Shares of the Target are listed | N.A. |
| Since the Equity Shares are not frequently traded, the price determined by the Acquirers, PAC and the Manager to the Open Offer 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 | ₹ 325 |

Mrs. Jyoti Gupta (Membership No. 502394), Proprietor, Jyoti Ravindra & Co., Chartered Accountants, New Delhi vide their certificate dated January 17, 2014 has certified that the fair value of the Equity Share of the Target is ₹ 299 (Rupees two hundred ninety nine only) based on the financial ratios of the Company and the decision of the Hon'ble Supreme Court of India in the matter of Hindustan Lever Employees Union v/s Hindustan Lever Limited, 1995. The Acquirers and PAC have decided to acquire the Equity Shares at a price of ₹ 325 per Equity Share. Based on the same, the Offer Price of ₹ 325 per Equity Share is justified in the opinion of the Acquirers, PAC and Manager to the Offer.

- 6.1.6. There has been no revision in the Offer Price since the date of Public Announcement till the date of Letter of Offer. The Offer Price does not warrant any adjustments for Corporate Actions.
- 6.1.7. In terms of Regulation 6(1) of the SEBI Takeover Regulations, during the Offer Period, the Acquirers or the PAC will not acquire any Shares other than those tendered in this Offer. Further in terms with Regulation 6(2) of the SEBI Takeover Regulations, the Acquirers or the PAC will not acquire any Shares for a period of six months after completion of the Offer except pursuant to another open offer as permitted under Regulation 6(2) of the SEBI Takeover Regulations.
- 6.1.8. The Acquirers and PAC may, in terms of Regulation 18(4) of the SEBI Takeover Regulations, make upward revision of the Offer Price at any time prior to the commencement of the last three working days before the commencement of the tendering period. If there is any such upward revision in the Offer Price by the Acquirers and PAC or in case of withdrawal of Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers and PAC for all the Equity Shares validly tendered at anytime during the Offer. In case of upward revision in the Offer Price, the value of the Escrow Account shall be computed on the revised consideration calculated at such revised Offer Price and any additional amount required will be funded via cash in the Escrow Account by the Acquirers and PAC prior to effecting such revision, in terms of the Regulation 17(2) of the SEBI Takeover Regulations.

6.2. Financial Arrangement

- 6.2.1. The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 4,65,000 Equity Shares from the public Shareholders of the Target at a Offer Price of ₹ 325 (Rupees Three Hundred Twenty Five Only) per Equity Share is ₹ 15,11,25,000 (Rupees Fifteen Crores Eleven Lakhs Twenty Five Thousand Only), (the "Maximum Consideration").

- 6.2.2. The Acquirers, PAC, the Manager to the Offer and Axis Bank Limited, a banking corporation incorporated under the laws of India, acting through its branch office at Statesman House, 148, Barakhamba Road, New Delhi - 110 001, have entered into an Escrow Agreement on January 18, 2014, for the purpose of the Offer (the "Escrow Agreement"). Pursuant to the Escrow Agreement and in compliance with the Regulation 17(1) of the SEBI Takeover Regulations, the Acquirers and PAC have deposited ₹ 5,00,00,000 (Rupees Five Crores Only) in cash in the Escrow Account which is equivalent to 33.09% of the value of Maximum Consideration payable under the Offer (assuming full acceptances). The Manager to the Offer is duly authorised by the Acquirers and PAC to realise the value of the Escrow Account and operate the Escrow Account in terms of the SEBI Takeover Regulations.
- 6.2.3. Further, the Acquirers and PAC have also furnished a performance guarantee (the "Performance Guarantee") from India Infoline Finance Limited, 2nd Floor, "B" Block, Apeejay House, 15 Park Street, Kolkata - 700 016 for ₹ 10,00,00,000 (Rupees ten crores only) in favour of the Manager to the Offer for a period of nine months from the date of issue of the same, i.e. January 24, 2014. The said Performance Guarantee is valid till October 23, 2014. Manager to the Offer has been authorised by the Acquirers and PAC to operate and realise the value of the aforesaid Performance Guarantee. The same has been provided as additional security for payment of consideration to the public shareholders whose Equity Shares are accepted under the Offer and does not forms part of the Escrow Account in terms of the Regulation 17(3) of the SEBI Takeover Regulations.
- 6.2.4. The Acquirers and PAC has 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 Takeover Regulations. Mr. Vansh Agarwal (Membership no. 063049), Partner, Agarwal & Associates, Chartered Accountants, having office at 18, N.S. Road, 3rd Floor, Kolkata - 700 001, has vide their certificate dated January 17, 2014 certified that the Acquirers and PAC have sufficient resources to meet the fund requirements for the acquisition of the Equity Shares of the Target under the Open Offer. The acquisition will be financed through internal accruals.
- 6.2.5. 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 and PAC to fulfil the Acquirers' and PAC's obligations through verifiable means in relation to the Offer in accordance with the SEBI Takeover Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Operational terms and conditions

- 7.1.1. The Offer is not subject to any minimum level of acceptances from Shareholders of the Target.
- 7.1.2. Letter of Offer will be dispatched to all the Equity Shareholders of the Target, whose names appear in its Register of Members on April 25, 2014, the Identified Date.
- 7.1.3. The Offer is subject to terms and conditions set out in this Letter of Offer, the Form of Acceptance cum Acknowledgment, the Public Announcement, the Detailed Public Statement and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.4. The Letter of Offer along with the Form of Acceptance cum Acknowledgement would also be available at SEBI's website, www.sebi.gov.in and Shareholders can also apply by downloading such forms from the website.
- 7.1.5. This Offer is subject to the receipt of the statutory and other approvals as mentioned in paragraph 7.4 of this Letter of Offer. In terms of Regulation 23(1)(a) of the SEBI Takeover Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

- 7.1.6. Accidental omission to dispatch this Letter of Offer to any Shareholder entitled to this Open Offer or non-receipt of this Letter of Offer by any Shareholder entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.7. The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance cum Acknowledgment and sent along with the other documents duly filled in and signed by the applicant Shareholder(s).
- 7.1.8. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 7.1.9. Shareholders who have accepted the Open Offer by tendering their Shares and requisite documents in terms of the Public Announcement, Detailed Public Statement and Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for the Open Offer.
- 7.1.10. The acceptance of the Open Offer is entirely at the discretion of the Shareholders of the Target. The Acquirers and PAC will not be responsible for any loss of Share Certificate(s) and Open Offer acceptance documents during transit and the Shareholders of the Target are advised to adequately safeguard their interest in this regard.
- 7.2. **Locked in Shares:** As of January 17, 2014, the Target had no Shares which were locked-in (source: www.bseindia.com)
- 7.3. **Persons eligible to participate in the Offer:** Registered Shareholders of the Target and unregistered Shareholders who own the Equity Shares of Target any time prior to the closure of the Offer, including the beneficial owners of the Shares held in dematerialised form, except the Promoter and Promoter Group of Target as per clause 35 of the Listing Agreement with the Stock Exchange(s) including the Acquirers and PAC.
- 7.4. Statutory and other Approvals:**
- 7.4.1. As of the date of this Letter of Offer, to the best of the knowledge of Acquirers and PAC, there are no regulatory or statutory approvals required by the Acquirers and PAC for this Offer. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals. In terms of Regulation 23 of the SEBI Takeover Regulations, the Acquirers and PAC will have the right not to proceed with the Offer in the event any of the statutory approvals that are required are refused.
- 7.4.2. The Acquirers and PAC does not require any approvals from Financial Institutions or Banks for this Offer.
- 7.4.3. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to Acquirers and PAC for payment of consideration to Shareholders of the Target, subject to Acquirers and PAC agreeing to pay interest, if any, for the delayed period if directed by SEBI in terms of the Regulation 18(11) of the SEBI Takeover Regulations. Further, if the delay occurs on account of the wilful default or neglect or inaction or non-action by Acquirers and PAC in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 17(10)(e) of the SEBI Takeover Regulations.
- 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER**
- 8.1. The following Collection Centre would be accepting the documents by Hand Delivery / Registered Post / courier as specified above, both in case of Shares in physical and dematerialised form:

| Place | Contact Person | Address | Telephone / fax / email | Mode |
|--------|----------------|--|--|--|
| Mumbai | Mr. B S Baliga | Sharex Dynamic (India) Private Limited Unit No. 1, Luthra Industrial Premises Andheri Kurla Road, Safed Pool Andheri (E), Mumbai - 400 072, India | Tel. No. +91 22 2851 5606 / 44 Fax No. +91 22 2851 2885 | Hand Delivery, Registered Post and Courier |

- 8.2. Shareholders who hold Equity Shares of the Target in physical form and wish to tender their Equity Share pursuant to the Offer will be required to submit the duly completed form of Acceptance cum Acknowledgment, original Share Certificate(s), valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the Letter of Offer, to the Registrar to the Offer either by Registered Post / Courier, at their own risk or by hand delivery so as to reach on or before the close of the business hours on the date of closure of the Tendering Period i.e. May 26, 2014.
- 8.3. The Registrar to the Offer, M/s Sharex Dynamic (India) Private Limited has opened a Special Depository Account with CDSL for receiving Equity Shares during the Offer from eligible Shareholders who hold Equity Shares in demat form.
- 8.4. Shareholders holding Equity Shares in dematerialised form, will be required to send their Form of Acceptance cum Acknowledgment and other documents as may be specified in the Letter of Offer to the Registrar to the Offer either by Registered Post / Courier or by hand delivery so as to reach on or before the close of the business hours on the date of closure of the Tendering Period i.e. May 26, 2014 along with a photocopy of the delivery instruction slips in "Off Market" mode duly acknowledged by their respective depository participant, in favour of "Sharex Dynamic (India) Private Limited - Open Offer Escrow Account - EIL" ("Special Depository Account") filled in as per the instructions given below:

| | |
|--|--|
| Depository Participant Name | SPA Securities Limited |
| DP ID | 12058600 |
| Beneficiary Account Number / Client ID | 00078076 |
| Account Name | Sharex Dynamic (India) Private Limited - Open Offer Escrow Account - EIL |
| ISIN | INE579B01013 |
| Depository | Central Depository Services (India) Limited |
| Mode of Instruction | Off Market |

Shareholders having their beneficiary account with National Securities Depository Limited ("NSDL") shall use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the Special Depository Account with CDSL.

- 8.5. THE SHARES, SHARE CERTIFICATES, TRANSFER DEED, FORM OF ACCEPTANCE CUM ACKNOWLEDGMENT AND / OR OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRERS / PAC / TARGET / MANAGER TO THE OFFER.**
- 8.6. In case of (a) Shareholders who have not received the Letter of Offer, (b) unregistered Shareholders, (c) owner of the Equity Shares who have sent the Equity Shares to the Target for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of Equity Shares held, distinctive numbers, folio numbers, number of Equity Shares offered along with the documents to prove their title to such Equity Shares such as broker note, succession certificate, original Share Certificate / original letter of allotment and valid Share transfer deeds (one per folio), duly signed by such Shareholders (in case of joint holding in the same order as to holding) as per the specimen signatures lodged with Target, and witnessed (if possible) by the Notary Public or a Bank Manager or a Member of the Stock Exchange with Membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Offer on or before the close of the business

hours on the date of closure of the Tendering Period i.e. May 26, 2014. Such Shareholders can also obtain the Letter of Offer from the Registrar to the Offer by giving an application in writing to that effect.

- 8.7. In case of Shareholders who have not received the Letter of Offer and holding Equity Shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of Equity Shares held, Depository name, Depository ID, Client name, Client ID, number of Equity Shares offered along with a photocopy of the original delivery instructions slips in "Off-Market" mode duly acknowledged by their respective depository participant indicating instructions for the transfer of Equity Shares into the Special Depository Account opened for the purpose of this Offer, so as to reach the Registrar to the Offer on or before the close of the business hours on the date of closure of the Tendering Period i.e. May 26, 2014. Such Equity Shareholders can also obtain Letter of Offer from the Registrar to the Offer by giving an application in writing.
- 8.8. Shareholders who have sent their Equity Shares for dematerialisation need to ensure that the process of getting Equity Shares dematerialised is completed well in time so that the credit in the Special Depository Account should be received on or before the close of the business hours on the date of closure of the Tendering Period i.e. May 26, 2014, else the application would be rejected.
- 8.9. No indemnity is needed from unregistered Shareholders.
- 8.10. If Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) required any approval from the RBI, the FIPB or any other Regulatory Body in respect of the Equity Shares held by them in the Target, or in the case of NRI and OCB Shareholders, require any approval to tender Equity Shares held by them pursuant to the Open Offer, they will be required to submit such approvals alongwith the Form of Acceptance cum Acknowledgment and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirers and PAC reserves the right to reject such Shares tendered in the Open Offer.
- 8.11. Where the number of Equity Shares offered for sale by the Shareholders are more than the Equity Shares agreed to be acquired by the Acquirers and PAC, the Acquirers and PAC will accept the Offer received from the 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 Shareholders shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of Target is 1 (one) Equity Share.
- 8.12. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers and PAC for payment of consideration to the public Shareholders of the Target who have accepted the Offer within such period, subject to Acquirers and PAC agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI Takeover Regulations.
- 8.13. The consideration to the Shareholders whose Equity Shares have been accepted will be paid by crossed account payee cheques / demand drafts / Electronic Clearance Service (ECS) (including Real Time Gross Settlement and National Electronic Fund Transfer) where applicable. Such payments through account payee cheques / demand drafts will be sent by registered post, at the address of the registered Shareholders / unregistered owners at their sole risk. All other documents shall be returned to the registered Shareholder / unregistered owner at their sole risk.
- 8.14. Unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post, at the address of the Shareholders, registered / unregistered owners, at their sole risk. Equity Shares held in dematerialised form, to the extent not accepted, will be credited back to the demat account of the beneficial owner mentioned in the Form of Acceptance cum Acknowledgment or otherwise. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer.

- 8.15. The Registrar to the Offer will hold in trust the Equity Shares and Share Certificate(s), Equity Shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgment, and the transfer deed(s) on behalf of the Shareholders of Target who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted Equity Shares / Share Certificates are dispatched / returned / credited to demat account.
- 8.16. Subject to Regulation 18(11) of the SEBI Takeover Regulations, the Acquirers and PAC will complete the process of payment of consideration to all Shareholders in respect of the Equity Shares which have been tendered and accepted under this Offer within ten (10) Working Days of the expiry of the Tendering Period.

8.17. Compliance with Tax requirements

8.17.1. General taxation requirements

- (a) Section 195(1) of the Income Tax Act, 1961 (“**ITA**”) provides that any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and cess, if applicable). The consideration received by the Shareholders, whether resident or non-resident, for Equity Shares accepted in the Offer may be chargeable to tax in India either as capital gains under Section 45 of the ITA or as business profits, depending on the facts and circumstances of the case. In case of a non-resident shareholder, the Acquirers and PAC are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the ITA on such capital gains / business profits. Further, the payment of any interest (paid for delay in payment of Offer Consideration or a part thereof) by Acquirers and PAC to a Shareholder may be chargeable to tax, as income from other sources under Section 56 of the ITA. The Acquirers and PAC are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the ITA or relevant Double Taxation Avoidance Treaty, if applicable, on such interest in case of a non-resident Shareholder.
- (b) Section 194A of the ITA provides that the payment of any interest by Acquirers and PAC to a resident Shareholder may be chargeable to tax, as income from other sources under Section 56 of the ITA. The Acquirers and PAC are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the ITA on such interest (paid for delay in payment of Offer Consideration or a part thereof).
- (c) Each Shareholder shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/ body of individuals, trust, any other, etc.) by selecting the appropriate box in the Form of Acceptance cum Acknowledgment. Shareholders are also required to furnish their PAN in the appropriate place in the Form of Acceptance cum Acknowledgment. In case of ambiguous, incomplete or conflicting information or information not being provided to the Acquirers and PAC, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted treating the Shareholder as a non-resident and at the rate as may be applicable, under the ITA, to the relevant category to which the Shareholder belongs, on the entire consideration and interest if any, payable to such Shareholder. Section 90(4) and 90A(4) of the ITA provides that, any person claiming benefit under any Double Taxation Avoidance Agreement (“**DTAA**”) between India and any other foreign country should furnish the ‘Tax Residence Certificate’ (“**TRC**”) provided to him / it by the Government of that foreign country / specified territory of which he / it claims to be a tax resident in the format as may be prescribed by the Indian income tax authorities. The Indian tax authorities have not prescribed the format for the TRC till date, accordingly the TRC as provided to him / it by the Government of that of foreign country / specified territory of which he is a resident shall be considered for granting of benefits under the DTAA.
- (d) The Acquirers and PAC will not accept any request from any Shareholder, under any circumstances, for non deduction of tax at source or deduction of tax at a lower rate, on the basis of any self computation/ computation by any tax consultant, of capital gain and/or interest, if any and tax payable thereon.
- (e) Securities transaction tax will not be applicable to the Shares accepted in the Offer.
- (f) The provisions contained in clause (c) to (e) above are subject to anything contrary contained in paragraphs 8.17.2 to 8.17.5 below.

8.17.2. Tax implications in case of Non resident Shareholders (other than FII)

- (a) For the purpose of remittance of funds on tendering of Shares under the Offer, NRI, OCBs, and other non-resident Shareholders (excluding FIIs) will be required to submit a no objection certificate' ("NOC") or a certificate for deduction of tax at a lower rate ("**Certificate for Deduction of Tax at Lower Rate**") from the income tax authorities under the ITA, indicating the amount of tax to be deducted by Acquirers and PAC before remitting the consideration. The Acquirers and PAC will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (b) In an event of non-submission of NOC or Certificate for Deduction of Tax at Lower Rate, tax will be deducted at maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs, on the entire consideration amount payable to the Shareholders, by the Acquirers and PAC.
- (c) In case of interest payments by the Acquirers and PAC for delay in payment of Offer Consideration or part thereof, if any, the NRIs, OCBs, and other non-resident Shareholders (excluding FII) will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the ITA indicating the amount of tax to be deducted by the Acquirers and PAC before remitting the consideration. The Acquirers and PAC will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (d) In an event of non-submission of NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirers and PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the ITA on the entire consideration payable as interest to such Shareholder.
- (e) All NRIs, OCBs and other non-resident Shareholders (excluding FIIs) are required to submit a self attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Shareholder, Acquirers and PAC will arrange to deduct tax at the rate of 20% (as provided under section 206AA of the ITA) or the rate, as may be applicable to the category of the Shareholder under the ITA, whichever is higher.
- (f) Any NRIs, OCBs and other non-resident Shareholders (excluding FIIs) claiming benefit under any Double Taxation Avoidance Agreement ("**DTAA**") between India and any other foreign country should furnish the TRC provided to him / it by the Government of that foreign country/ specified territory of which it claims to be a tax resident in the format as may be prescribed by the Indian income tax authorities. The Indian tax authorities have not prescribed the format for the TRC till date, accordingly the TRC as provided to him / it by the Government of that foreign country / specified territory of which he is a resident shall be considered for granting of benefits under the DTAA. In the absence of such TRC, the Acquirers and PAC will arrange to deduct tax in accordance with the provisions of the ITA and without having regard to provisions of any DTAA.

8.17.3. Tax implications in case of FII

- (a) Section 196D(2) of the ITA provide that no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the ITA, to an FII, as defined in Section 115AD of the ITA. FIIs are required to certify the nature of their holding (*i.e.* whether held on Capital Account as Investment or on Trade Account) of the shares in the Target by selecting the appropriate box in the Form of Acceptance-cum- Acknowledgement. The benefits under Section 196D(2) are applicable in case the Shares are held on Capital Account.
- (b) The absence of certificates/ declarations as contemplated in clause (a) above (as applicable), notwithstanding anything contained in clause (a) above, the Acquirers and PAC shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the ITA, on the entire consideration amount payable to such Shareholder (*i.e.* FII).
- (c) In an event wherein it is certified by the FII that shares held by such FII in the Target are held on Trade Account, no deduction of tax at source shall be made if such FII furnishes a TRC and furnishes a self-declaration stating that such FII does not have a permanent establishment in India, in terms of the DTAA entered between India and the country of tax residence of such FII. In the absence of such certificates/declarations, the Acquirers' and PAC shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the ITA, on the entire consideration amount payable to such Shareholder (*i.e.* FII).

- (d) Notwithstanding anything contained in clause (a) to (c) above, in case an FII furnishes a NOC or Certificate for Deduction of Tax at Lower Rate, the Acquirers and PAC will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (e) FIIs will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the ITA indicating the amount of tax to be deducted by the Acquirers and PAC before remitting the interest payable by the Acquirers and PAC for delay in payment of Offer Consideration or part thereof. The Acquirers and PAC will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (f) In an event of non-submission of NOC or Certificate for Deduction of Tax at Lower Rate, the Acquirers and PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs, on the interest payable to such Shareholder (if any).
- (g) All FIIs shall submit a self attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Shareholder, Acquirers and PAC will arrange to deduct tax at the rate of 20% (as provided under section 206AA of the ITA) or the rate, as may be applicable to the category of the Shareholder under the ITA, whichever is higher, on the interest income to be remitted from India.
- (h) Any FII claiming benefit under any DTAA between India and any other foreign country should furnish a TRC provided to it by the Government of that foreign country / specified of which it claims to be a tax resident in the format as may be prescribed by the Indian income tax authorities. The Indian tax authorities have not prescribed the format for the TRC till date, accordingly the TRC as provided to him / it by the Government of that foreign country / specified territory of which he is a resident shall be considered for granting of benefits under the DTAA. In the absence of such TRC, the Acquirers and PAC will arrange to deduct tax in accordance with the provisions of the ITA and without having regard to provisions of any DTAA.

8.17.4. Tax implications in case of Resident Shareholders

- (a) Under the ITA, no tax shall be deductible at source on the entire consideration payable to resident shareholders.
- (b) All resident shareholders will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the ITA, indicating the amount of tax to be deducted by the Acquirers and PAC before remitting interest payments by the Acquirers and PAC for delay in payment of Offer Consideration or part thereof (if any). The Acquirers and PAC will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (c) In an event of non-submission of NOC or Certificate for Deduction of Tax at Lower Rate, the Acquirers and PAC will arrange to deduct tax at the rates prescribed under section 194A of the ITA as may be applicable to the relevant category to which the Shareholder belongs under the ITA on the consideration payable as interest to such Shareholder.
- (d) All resident Shareholders shall submit a self attested copy of their PAN card for income tax purposes. In case copy of the PAN card is not submitted or is invalid or does not belong to the Shareholder, Acquirers and PAC will arrange to deduct tax at the rate of 20% (as provided under section 206AA of the ITA) or the rate, as may be applicable to the category of the Shareholder under the ITA, whichever is higher.
- (e) Notwithstanding anything contained in clause (a) to (c) above, no deduction of tax shall be made at source by the Acquirers and PAC where (i) the total amount of interest payable to a resident Shareholder does not exceed INR 5,000 (or (ii) where a self-declaration in Form 15G or Form 15H (as provided in the Income Tax Rules, 1962) as may be applicable, has been furnished by a resident Shareholder or (iii) interest being paid to banking company under the Banking Regulation Act, 1949, any co-operative society engaged in banking business, any financial corporation established by or under a Central, State or Provincial Act, Life Insurance Corporation of India, Unit Trust of India, any company or co-operative carrying on business of insurance and such other institution, association, bodies or class of institutions, associations or bodies, as may be specified by the Central government. The self-declaration in Form 15G and Form 15H will not be regarded as valid unless the resident Shareholder furnished its PAN in such declaration.

8.17.5. Others

- (a) Notwithstanding the details given above, all payments will be made to Shareholders subject to compliance with prevailing tax laws.

- (b) The tax deducted by the Acquirers and PAC while making payment to a Shareholder may not be the final tax liability of such Shareholder and shall in no way discharge the obligation of the Shareholder to appropriately disclose the amounts received by it, pursuant to this Offer, before the income tax authorities.
- (c) Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.
- (d) The Acquirers and PAC and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.
- (e) The Acquirers and PAC shall deduct tax (if required) as per the information provided and representation made by the shareholders. In an event of any income-tax demand (include interest, etc.) arising from any misrepresentation from the shareholders, the shareholders will be responsible to pay the tax dues (if any) under the ITA and provide the Acquirers and PAC with all information/documents that may be necessary and co-operate in any proceedings before income tax/appellate authority in India.
- (f) The Acquirers and PAC shall issue a certificate in the prescribed form to the Shareholders (resident and non resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of section 203 of the ITA read with the Income-tax Rules, 1962.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Acquirers and PAC as mentioned on the cover page of this Letter of Offer from 10.30 a.m. to 3.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the Closure of the Offer.

- 9.1. Certificate of Incorporation, Memorandum and Articles of Association of International Conveyors Limited, R. C. A. Limited and I G E (India) Private Limited.
- 9.2. Certificate dated January 17, 2014 issued by Mr. Vansh Agarwal, Partner, Agarwal & Associates, Chartered Accountants, having office at 18, N.S. Road, 3rd Floor, Kolkata – 700 001, certifying the adequacy of resources with the Acquirers and PAC to fulfill its part of Open Offer financial obligations.
- 9.3. Audited financial statements of the Target for financial years ended March 31, 2013, March 31, 2012 and March 31, 2011 along with un-audited financial results for the nine months period ended December 31, 2013.
- 9.4. Audited standalone financial statements of the Acquirers and PAC for financial years ended March 31, 2013, March 31, 2012 and March 31, 2011 along with un-audited financial results for the nine months period ended December 31, 2013.
- 9.5. Copy of Escrow Agreement dated January 18, 2014 and Certificate dated January 21, 2014 from Axis Bank Limited confirming the amount kept by the Acquirers and PAC in the Escrow Account.
- 9.6. Copy of Public Announcement dated January 17, 2014 and copy of the Detailed Public Statement published on January 24, 2014.
- 9.7. Copy of the Recommendation made by the Independent Committee of the Board of Directors of Target.
- 9.8. Copy of Agreement entered into with Depository Participant for opening of Special Depository Account for the purpose of the Offer.
- 9.9. SEBI Observation letter no. CFD/DCR-1/11601/14 dated April 22, 2014.

10. DECLARATION BY THE ACQUIRERS AND PAC

The Acquirers and PAC and the Directors of the Acquirers and PAC accepts full responsibility for the information contained in the Letter of Offer and also for the obligations laid down in the SEBI Takeover Regulations and subsequent amendments thereof. The Acquirers and PAC would be severally and jointly responsible for ensuring compliance with the SEBI Takeover Regulations and other applicable laws.

for International Conveyors Limited

for R. C. A. Limited

for I G E (India) Private Limited

Sambhaw Kumar Jain
Auth. Signatory

Sambhaw Kumar Jain
Director

Sambhaw Kumar Jain
Director

Place: Mumbai

Date: April 29, 2014

Enclosures

- Form of Acceptance cum Acknowledgement
- Blank Share Transfer Deed

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

ELPRO INTERNATIONAL LIMITED - OPEN OFFER

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

| | | | |
|--|---------------------|------------------------|---------------------|
| THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION (Please send this Form of Acceptance with enclosures to the Registrar to the Offer) | | | |
| OFFER OPENS ON | May 12, 2014 | OFFER CLOSES ON | May 26, 2014 |

| FOR OFFICE USE ONLY | |
|-----------------------------------|--|
| Number of Equity Shares offered | |
| Number of Equity Shares accepted | |
| Purchase consideration (Rs.) | |
| Cheque/Demand Draft/Pay Order No. | |

| | |
|--|---|
| To, The Acquirers (International Conveyors Limited and R.C.A. Limited) The PAC (I G E (India) Private Limited) C/o Sharex Dynamic (India) Private Limited Unit No. 1, Luthra Industrial Premises Andheri Kurla Road, Safed Pool, Andheri (E) Mumbai - 400 072, India | From: Name: Address: Tel No: Fax: Email: |
|--|---|

Dear Sir,

Sub: Open Offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by International Conveyors Limited and R.C.A. Limited ("Acquirers") and I G E (India) Private Limited ("Person Acting in Concert / PAC") to acquire 4,65,000 Equity Shares at a price of Rs. 325 per fully paid up Equity Share representing 10.08% of the paid up Equity Share Capital of Elpro International Limited ("Target Company").

I/We refer to the Letter of Offer dated April 28, 2014 for acquiring the Equity Shares held by me/us in Target Company. I/We, the undersigned, have read all of the above and unconditionally accept its contents including the terms and conditions as mentioned therein.

For Shares held in Demat Form

I/We, holding Equity Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction Slip in "Off-market" mode, duly acknowledged by my/our Depository Participant ("DP") in respect of my/ our Equity Shares as detailed below:

| DP Name | DP ID | Client ID | Beneficiary Name | No. of Shares |
|---------|-------|-----------|------------------|---------------|
| | | | | |

I/We have executed an off-market transaction for crediting the Equity Shares to Special Depository Account as per details below

- Via a delivery instruction from my account with NSDL
- Via an inter-depository delivery instruction from my account with CDSL

| | |
|--------------------------|--|
| Depository Name | Central Depository Services (India) Limited |
| DP Name | SPA Securities Limited |
| DP ID Number | 12058600 |
| Beneficiary Account Name | Sharex Dynamic (India) Private Limited - Open Offer Escrow Account - EIL |

| | |
|---------------------|--------------|
| Client ID | 00078076 |
| ISIN | INE579B01013 |
| Mode of Instruction | Off-Market |

I / We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirers and PAC dispatch the purchase consideration as mentioned in the Letter of Offer. I / We also note and understand that the Acquirers and PAC will pay the purchase consideration only after verification of the documents and signatures.

Shares held in Physical Form

I/We accept the Offer and enclose the original Share Certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our Equity Shares as detailed below:

| Sr. No. | Ledger Folio No(s). | Certificate No(s). | Distinctive No(s) | | No. of Equity Shares |
|--------------------------------------|---------------------|--------------------|-------------------|----|----------------------|
| | | | From | To | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| Total Number of Equity Shares | | | | | |

(Please attach additional sheets and authenticate the same if the space provided above is insufficient.)

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed(s) in trust for me/us until the time the Acquirers and PAC dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers and PAC will pay the purchase consideration only after verification of the documents and signatures.

Enclosure(s), in addition to the Share Transfer Deed(s) and Share Certificate(s) or copy of Delivery Instruction Slip (Please tick as applicable)

- | | |
|--|---|
| <input type="checkbox"/> Power of Attorney | <input type="checkbox"/> Corporate authorisation in case of companies along with Board Resolution and specimen signatures of authorised signatories |
| <input type="checkbox"/> Death Certificate / Succession Certificate | <input type="checkbox"/> No Objection Certificate & Tax Clearance Certificate under Income-Tax Act, 1961 (for NRIs / OCBs / Foreign Shareholders) |
| <input type="checkbox"/> RBI approvals for acquiring Shares of Elpro International Limited hereby tendered in the Offer (for NRIs / OCBs / Foreign Shareholders) | <input type="checkbox"/> Others (please specify) _____ |

I/We confirm that the Equity Shares of **Elpro International Limited** which are being tendered herewith by me/us under this Offer are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers and PAC to accept the Equity Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers and PAC to return to me/us, share certificate(s)/ shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorise the Acquirers and PAC, the Registrar to the Offer and the Manager to the Offer to send by registered post/UPC as may be applicable at my/our risk, the draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address registered with the Target. In case I/We have tendered my/our Shares in dematerialized form, I/We authorize Acquirers, PAC, the Registrar to the Offer and the Manager to the Offer to use details regarding address and bank account, as obtained from the Depository Participant for the purpose of mailing the aforementioned instruments to the sole/first holder.

I/We authorize the Acquirers and PAC to accept the Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers and PAC to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers and PAC are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

To avoid fraudulent encashment of Cheque / Demand Draft / Pay Order in transit, the shareholder(s) may provide details of bank account of the first / sole shareholder and the same will be printed on the Cheque / Demand Draft / Pay Order.

| | |
|------------------|------------------------|
| Name of the Bank | Branch |
| Account Number | Saving /Current/Others |

Yours faithfully,

Signed and delivered:

| | FULL NAME (S) | PAN | SIGNATURE(S) |
|---------------------|---------------|-----|--------------|
| First / Sole Holder | | | |
| Joint Holder 1 | | | |
| Joint Holder 2 | | | |

Note: In case of joint holding, all holders must sign.

Place: _____

Date: _____

Collection Centers

The collection centres mentioned in the Letter of Offer would be accepting the documents, both in case of Equity Shares in physical and dematerialised form. Working hours for the collection centers: 10 a.m. to 3 p.m. from Monday to Friday and 10 a.m. to 1 p.m. on Saturday.

-----TEAR HERE-----

S. No. (Acknowledgement Slip)

Sharex Dynamic (India) Private Limited

Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai - 400 072, India
Tel. No. +91 22 2851 5606 / 44; Fax No. +91 22 2851 2885

Received from Mr./Ms/Smt.: _____ residing at _____ a Form of Acceptance cum Acknowledgement for _____ Equity Shares along with:

copy of depository instruction slip from DP ID _____ Client ID _____

_____ Share certificate(s) _____ Transfer deed(s) under folio number(s) _____ for accepting the Offer made by the Acquirers and PAC:

| | | | | | |
|----------------------------|--|------------------------|--|------------------|--|
| Stamp of Collection Centre | | Signature of Official: | | Date of Receipt: | |
|----------------------------|--|------------------------|--|------------------|--|

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the address mentioned above.

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS & PAC, TARGET COMPANY OR THE MANAGER TO THE OFFER

1. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
2. Shareholders holding registered physical Shares should submit the Form duly completed and signed, by all the holders of the Shares, along with the original share certificate(s) and valid share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill any other details in the transfer deed(s).
3. Shareholders holding Shares in dematerialised form should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP").
4. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) in which they hold Shares in the Target Company, and should be duly witnessed. The order of names cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
5. In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
6. In case of (a) Shareholders who have not received the Letter of Offer, (b) unregistered Shareholders, (c) owner of the Equity Shares who have sent the Equity Shares to the Target for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of Equity Shares held, distinctive numbers, folio numbers, number of Equity Shares offered along with the documents to prove their title to such Equity Shares such as broker note, succession certificate, original Share Certificate / original letter of allotment and valid Share Transfer Deeds (one per folio), duly signed by such Shareholders (in case of joint holding in the same order as to holding) as per the specimen signatures lodged with the Target, and witnessed by the Notary Public or a Bank Manager or a Member of the Stock Exchange with membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Offer on or before the closing of the business hours on the date of closure of the Tendering Period i.e. May 26, 2014.
The sole/first holder may also mention particulars relating to their savings/current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to print the said details on the Demand Draft / Cheque / Pay Order after the name of the payee.
7. Non-Resident Shareholders should enclose copy(ies) of permission received from Reserve Bank of India to acquire Shares held by them in the Target Company which are offered under the Open Offer.
8. In case of Bodies Corporate, certified copies of appropriate authorization (including Board/Shareholders resolution, as applicable) authorizing the sale of Shares along with specimen signatures of the Authorised Signatory duly attested by a bank manager must be annexed.
9. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
 - a. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has died.
 - b. Duly attested Power of Attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
 - c. No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
10. Payment Consideration: Shareholders holding Equity Shares in demat form must note that on the basis of name of the Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance cum Acknowledgement, the Registrar to the Issue will obtain, from the Depositories, the Shareholders' demographic details including address, bank account details and the nine digit Magnetic Ink Character Recognition ("MICR") code. These bank account details will be used to make payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delay in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders' sole risk and neither the Acquirers, PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any losses caused to the Shareholders due to any such delay or liable to pay any interest for such delay.

Shareholders holding Equity Shares in physical form are requested to fill in the required Bank details in the Form of Acceptance cum Acknowledgment.

For further details, please refer to para 8 at Page 19 of the Letter of Offer.