

LETTER OF OFFER

This Document is important and requires your immediate attention

This Letter of Offer is sent to you as a shareholder(s)/Beneficial Owners of Kwaliti Credit and Leasing 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 shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER BY

Name of the Acquirers	Address	Contact No.
Dharmendra Kothari	10, Canning Street, 3 rd Floor, Kolkata - 700001, West Bengal, India.	98311 81494
Hemant Kothari	220/2, Panditiya Road, Extension Kolkata - 700029, West Bengal, India.	033 - 4062 9280
Rajesh Kothari	10, Canning Street, 3 rd Floor, Kolkata - 700001, West Bengal, India.	98310 08424
Sunita Kothari	10, Canning Street, 3 rd Floor, Kolkata - 700001, West Bengal, India.	98311 81494
Ichraj Devi Kothari	10, Canning Street, 3rd Floor, Kolkata - 700001, West Bengal, India	98311 81494

(hereinafter collectively referred to as "**The Acquirers**")

To the shareholders of KWALITY CREDIT AND LEASING LIMITED (hereinafter referred to as "**Target Company**" or "**KWALITY**") (CIN: L65921WB1992PLC056686)

Registered Office: 27, Weston Street, 5th Floor, Room No-526, Kolkata – 700012, West Bengal, India

Tel No: 91-9681634539; **E-mail Id:** kwalitycredit50@yahoo.com; **website:** <http://www.kwalitycredit.com/>

For the acquisition of 8,44,541 (Eight Lakh Forty Four Thousand Five hundred Forty One) fully paid-up equity shares of Rs.10/- each, representing 20.00% of the fully paid-up equity and voting share capital at a price of Rs. 8.25 per share ("**Offer Price**"), which is inclusive of interest of Rs. 3.22 per share for delay in making open offer, payable in cash ("**Offer**" or "**Open Offer**"), in accordance with Regulation 20(2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof ("**the Regulations**"), from the equity shareholders of the Target Company.

Please Note:

- This Offer is being made in compliance with the Order (Ref. No. WTM/ RKA/ ERO/ 13 - 14 /2015 dated 04.03.2015) hereinafter referred to as the "**Order**" issued by the Securities and Exchange Board of India (SEBI).
- This Offer is also being made pursuant to and in compliance with Regulation 10 of the now repealed Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as "Regulations"). Pursuant to the acquisition of 6,83,717 shares of KWALITY made by Rajesh Kothari, Dharmendra Kothari, Sunita Kothari, Ichraj Devi Kothari and Hemant Kothari (hereinafter collectively referred to as the 'Acquirers') alongwith Pradeep Kumar Kothari (since deceased) between September 17, 2010 to September 23, 2010, the collective shareholding of the said Acquirers increased to 19.53% i.e., an increase of 19.53% which was beyond permissible threshold limit of 15% under Regulation 10 of the SEBI (SAST) Regulations, 1997. This aforesaid acquisition triggered the obligation to make a public announcement under the said regulation read with regulation 14(1) of the SEBI (SAST) Regulations, 1997 within 4 working days i.e. on or before 27th September, 2010. The Public Announcement under the present offer was made on Friday, September 02, 2016. In terms of regulation 35(2)(b) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011, the previous operation of the repealed regulations or anything duly done or suffered there under, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations has never been repealed. The obligations of the Acquirers under Regulation 10 of the SEBI (SAST) Regulations 1997 to make Open Offers as stated above, is being complied with now.
- The Offer is subject to receiving the necessary approval(s), if any, from the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders. In case of acceptances from Non-Resident shareholders, the Acquirers would after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of KWALITY to the Acquirers. There are no other statutory approvals required to acquire equity shares that are tendered pursuant to this Offer. However, the offer would be subject to all-statutory approvals as may be required and/or may subsequently become necessary to acquire at any later date.
- If there is any upward revision in the Offer Price/ Size at any time up to seven working days prior to the date of closure of the Offer viz. 03.05.2017 or withdrawal of the Offer in terms of the SEBI (SAST) Regulation, 1997 the same would also be informed by way of Corrigendum to Public Announcement in the same newspapers where the original Public Announcement dated 02.09.2016 had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.
- There is no competitive bid:**
 - As the Offer price cannot be revised during 7 working days prior to the closing date of the Offers/ bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**
- Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 09.05.2017 i.e. three working days prior to the closure of the Offer.
- The offer is not subject to a minimum level of acceptance by the shareholders of KWALITY and thus it is not a conditional offer.
- No Competitive bid has been announced as on the date of this Letter of Offer.**
- The Procedure for acceptance is set out in Para 8 of this Letter of Offer. A Form of Acceptance and a Form of Withdrawal is enclosed with this Letter of Offer.
- The Public Announcement and Letter of Offer (including Form of Acceptance cum Acknowledgement and Form of Withdrawal) would also be available at SEBI website www.sebi.gov.in.

 <p>MANAGER TO THE OFFER: GRETEX CORPORATE SERVICES PRIVATE LIMITED SEBI Registration No: INM000012177 (Contact Person: Mr. Tanmoy Banerjee) Office No. -13, 1st Floor, (New Bansilal Building), 9-15, Homi Modi Street, Fort Mumbai -400023 Tel No.: +91 - 22 - 40025273 / 9836822199/ 9836821999, Fax No.: +91 - 22 - 40025273 Email: info@gretexgroup.com; tanmoy@gretexgroup.com Website: www.gretexcorporate.com</p>		<p>REGISTRAR TO THE OFFER: C B Management Services (P)Limited SEBI Registration No: INR000003324 (Contact Person: Mr. Amit Kumar Banerjee) P-22 Bondel Road Kolkata 700019, West Bengal, India. Tel.: +91 33 40116700, 2280 6692/93/94/2486 Fax : +91 033 4011 6739 Email: rta@cbmsl.com Website: www.cbmsl.com</p>
OFFER OPENS ON : Monday, April 24, 2017		OFFER CLOSES ON : Saturday, May 13, 2017

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activity	Original		Revised	
	Date	Day	Date	Day
Date of Public Announcement	02.09.2016	FRIDAY	02.09.2016	FRIDAY
Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be	16.09.2016	FRIDAY	16.09.2016	FRIDAY
Last date of Competitive Bid, if any	23.09.2016	FRIDAY	23.09.2016	FRIDAY
Date by which the Letter of Offer will be dispatched to the shareholders	10.10.2016	MONDAY	17.04.2017	MONDAY
Date of Opening of the Offer	22.10.2016	SATURDAY	24.04.2017	MONDAY
Last date for revising the Offer Price / No. of Shares	01.11.2016	TUESDAY	03.05.2017	WEDNESDAY
Last Date for withdrawal of acceptance by shareholders who have accepted the Offer	07.11.2016	MONDAY	09.05.2017	TUESDAY
Date of Closing of the Offer	10.11.2016	THURSDAY	13.05.2017	SATURDAY
Date of communicating rejection / acceptance and payment of consideration for applications accepted.	25.11.2016	FRIDAY	27.05.2017	SATURDAY

Risk Factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirers -

- The offer involves an offer to acquire 20.00% of the fully paid-up equity and voting share capital of KWALITY from the eligible persons for the Offer. In the case of oversubscription in the offer, as per the Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted. Further, it has to be noted that there is no transaction at present in the shares of the Target Company or proposal to make any changes which has triggered the open offer. This Open Offer is made by the Acquirers in order to comply with the Regulations, consequent to an acquisition of shares in the year 2010 which had triggered the Open Offer under Regulation 10 of the now repealed SEBI (SAST) Regulations 1997 and in compliance with the Order (**Ref. No. WTM/ RKA/ ERO/ 13 - 14 /2015 dated 04.03.2015**) issued by the Securities and Exchange Board of India (SEBI).
- In the event that either (a) regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LOF. Consequently, the payment of consideration to the public shareholders of KWALITY whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of SEBI (SAST) Regulations, 1997, SEBI, **may, if satisfied that the non-receipt of approval** was not due to the wilful default or negligence or failure to diligently pursue on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by the SEBI. Further, shareholders should note that after the last date of withdrawal i.e. 09.05.2017, the shareholders who have lodged the shares would not be able to withdraw them even if the acceptance of the Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
- The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers under the Offer. The Acquirers may not be able to proceed with the Offer in the event the approvals are not received in terms of the Regulation 27 of the SEBI (SAST) Regulations, 1997. Delay, if any, in the receipt of these approvals may delay completion of the offer.
- Risks involved in associating with the Acquirers:**
The Acquirers intends to acquire from the existing shareholders of the target company, upto 8,44,541 fully paid-up Equity Shares of Rs.10/- each, representing 20.00% of the fully paid-up equity and voting share capital at a price of Rs. 8.25 (Rupees Eight and Twenty Five paise) per share, which is inclusive of interest of Rs. 3.22 per share for the delay in making offer, payable in cash. KWALITY doesn't have any partly paid up shares as on date of the PA. The equity shares and documents tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the shareholders will not be able to trade such equity shares.
- The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement or this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manger to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.
- The Risk Factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer.
- Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirers.

CURRENCY OF PRESENTATION

- In this LOF, all references to "Rs./Rupees/Re/Rupee" are references to the official currency of India.
- In this LOF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/ or regrouping.

INDEX

Sl. No.	Subject	Page No.
1	Disclaimer Clause	4
2	Details of the Offer	4-6
3	Background of the Acquirers	6-9
4	Disclosure in terms of Regulation 21(2)	9
5	Background of the Target Company – KWALITY	9-15
6	Offer Price and Financial Arrangements	15-16
7	Terms and Conditions of the Offer	16-17
8	Procedure for Acceptance and Settlement of the Offer	17-19
9	Documents for Inspection	19-20
10	Declaration by the Acquirers	20

DEFINITIONS/ABBREVIATIONS

Acquirers	Mr. Dharmendra Kothari, Mrs. Sunita Kothari, Mrs. Ichraj Devi Kothari, Mr. Hemant Kothari and Mr.
Board	The Board of Directors of the Target Company
BSE	BSE Limited
CSE	The Calcutta Stock Exchange Ltd.
CDSL	Central Depository Services (India) Limited
Corrigendum to Public Announcement	Corrigendum to Public Announcement dated April 11, 2017.
Date of Opening of Open Offer	Monday; April 24, 2017
Date of Closure of Open Offer	Saturday; May 13, 2017
DLoO	Draft Letter of Offer dated September 16, 2016 submitted to SEBI for its observations
ECS	Electronic Clearing Service
Eligible Person(s)/ Eligible Shareholder(s)	All shareholders/ beneficial owners (registered or otherwise) of the Equity Shares of Kwality Credit and Leasing Limited except the Acquirers as on the specified date
Equity Share(s)	Equity Shares of Kwality Credit and Leasing Limited
Equity Share Capital	The Paid Up Equity Share Capital of Kwality Credit and Leasing Limited
FOA or Form of Acceptance	Form of Acceptance – cum - Acknowledgment accompanying this Letter of Offer
FOW or Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
LOF	Letter of Offer dated April 12, 2017
Manager to the Offer/ Merchant Banker/ MB	GreteX Corporate Services Private Limited, the Merchant Banker appointed by the Acquirers Pursuant to Regulation 13 of the Regulations, having its head office at Office No. -13, 1st Floor, (New Bansilal Building), 9-15, Homi Modi Street, Fort, Mumbai - 400023
NRI(s)	Non- Resident Indians
Offer Period	From July 19, 2016 (i.e. date of entering into Memorandum of Understanding between Acquirers and Manager to the Offer) to May 27, 2017 (i.e date of Payment Consideration)
Offer Price	Rs. 8.25 (Rupees Eight and Twenty Five Paisa) per share, which is inclusive of interest of Rs. 3.22 per share for the delay in making offer, payable in cash
Offer/ Open Offer/ Public Offer	Cash Offer being made by the Acquirers to acquire 8,44,541 (Eight Lakh Forty Four Thousand Five Hundred Forty One Only) fully paid-up equity shares of Rs.10/- each, representing 20.00 % of the fully paid-up equity and voting share capital at a price of Rs. 8.25 per share.
Public Announcement/ PA	Public Announcement dated Friday September 02, 2016 made by the Manager to the Offer, on behalf of the Acquirers
Present Promoters/ Promoter Group	Currently there is no promoter/ promoter group in the Target Company.
RBI	Reserve Bank of India
Registrar/ Registrar to the Offer/ RTA	CB Management Services (P) Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its office at P-22 Bondel Road, Kolkata 700019
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent Amendments thereof & Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent Amendments thereof)
SEBI	Securities & Exchange Board of India
Specified date	Date for the purpose of determining the names of shareholders as on such date to whom the Letter of Offer will be sent
Target Company / KWALITY	Kwality Credit & Leasing Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 27, Weston Street, 5th Floor, Room no - 526, Kolkata : 700012, West Bengal, India

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 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 EQUITY SHAREHOLDERS OF KWALITY 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 COMPANY WHO'S SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER GRETEX CORPORATE SERVICES PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 16.09.2016 TO THE SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER:

2.1 Background of the Offer:

2.1.1 This Offer is being made pursuant to and in compliance with Regulation 10 of the now repealed Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as "Regulations"). Pursuant to the acquisition of 6,83,717 shares of KWALITY made by Rajesh Kothari, Dharmendra Kothari, Sunita Kothari, Pradeep Kumar Kothari (since deceased), Ichraj Devi Kothari and Hemant Kothari between September 17, 2010 and September 23, 2010, the collective shareholding increased to 19.53% i.e., an increase of 19.53% which was beyond the permissible threshold limit of 15% under Regulation 10 of the SEBI (SAST) Regulations, 1997. This aforesaid acquisition triggered the obligation to make a public announcement under the said regulation read with regulation 14(1) of the SEBI (SAST) Regulations, 1997 within 4 working days i.e. on or before September 27, 2010. The Public Announcement under the present offer has been made on Friday, September 02, 2016. In terms of regulation 35(2) (b) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011, the previous operation of the repealed regulations or anything duly done or suffered there under, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations has never been repealed. The obligations of the Acquirers under Regulation 10 of the SEBI (SAST) Regulations 1997 to make Open Offers as stated above, is being complied with now and therefore the Offer is being made with a delay. It is brought on record that Mr. Pradeep Kumar Kothari passed away on December 07, 2013. Therefore, SEBI vide order no. WTM/RKA/ERO/13-14/2015 dated 04.03.2015 had directed that the present proceedings in respect of him is abated and is accordingly disposed of.

2.1.2 SEBI has directed the Acquirers to make a Public Announcement to acquire shares of the Target Company in accordance with the provisions of the SEBI (SAST) Regulations, 1997, within a period of 45 days from the date of the SEBI vide order no. WTM/RKA/ERO/13-14/2015 dated March 04, 2015; and along with the consideration amount, pay an interest of 10% per annum from December 27, 2010. Thereafter, Acquirers have filed an appeal on April 24, 2015 before Securities Appellate Tribunal against SEBI Order dated March 04, 2015. Thereafter with the reference of further communication and correspondence, Acquirers have appointed us as Merchant Banker. With the reference of SAT Order Appeal No 264 of 2015 dated July 18, 2016, the appeal has been allowed for withdrawn and Acquirers came out with open offer. Thus, due to the above appeal and further hearing and communication, the acquirers have come out with the open offer on September 02, 2016.

2.1.3 Mr. Dharmendra Kothari, Mr. Rajesh Kothari, Mrs. Sunita Kothari and Mrs. Ichraj Devi Kothari residing at 10, Canning Street, 3rd Floor, Kolkata - 700 001, West Bengal, India and Mr. Hemant Kothari residing at 220/2, Panditya Road, Extension Kolkata- 700029, West Bengal, India. (hereinafter collectively referred to as "The Acquirers ") are making an open offer to the -Public Shareholders of Kwality Credit & Leasing Limited (hereinafter referred to as "KWALITY" or "Target Company") to acquire 8,44,541 fully paid-up Equity Shares of Rs.10/- each, ("the offer") representing 20.00% of its paid up equity share and voting capital at a price of Rs. 8.25 per share (the "Offer Price" of Rs 5 per share plus interest @ 10% per annum of Rs 3.22).

2.1.4 As on the date of the PA, the Acquirers hold 2,75,379 equity shares in KWALITY representing 6.52% of the fully paid-up equity and voting share capital of KWALITY. Apart from this holding, the Acquirers had not acquired any equity shares of the Target Company during twelve months preceding the date of the PA. As on the date of PA, the Acquirers are not in the management of the Target Company. The Acquirers are making this Open Offer in terms of Regulation 10 of the repealed SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997. The Public Announcement in respect of the same should have been made on Monday September, 27 2010. However, the Open Offer was not made and the offer is being made with a delay , under the provisions of the repealed SEBI (SAST) Regulations 1997. The offer is subject to the provisions of the Companies Act 1956, Companies Act 2013, SEBI (SAST) Regulations 1997, and SEBI (SAST) Regulations 2011 and Listing Agreement of the Target Company with the Stock Exchanges as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations in force.

- 2.1.5** The Offer is not subject to any minimum level of acceptances from shareholders and is not a conditional Offer.
- 2.1.6** This is not a competitive bid.
- 2.1.7** As on the date of PA, Gretex Corporate Services Private Limited, the Manager to the Offer does not hold any equity share in the Target Company. Pursuant to Regulation 24(5A), The Manager to the Offer declares and undertakes not to deal in the equity shares of KWALITY up to a period of fifteen days after closure of the Offer.
- 2.1.8** The Offer is not as a result of global acquisition resulting in indirect acquisition of Target Company.
- 2.1.9** The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11, 11B read with Section 19 of the Securities and Exchange Board of India, 1992 ("**SEBI Act**") and regulation 44 and 45 of the SEBI (SAST) Regulations, 1997 read with regulations 32 and 35 of the SEBI (SAST) Regulations, 2011.
- 2.1.10** In terms of Regulation 22(18) of Takeover Regulations, the acquirer has not either, in the public announcement, and, or in the letter of offer, stated his intention to dispose of or otherwise encumber any assets of the target company except in the ordinary course of business of the target company, the acquirer, where he has acquired control over the target company, shall be debarred from disposing of or otherwise encumbering the assets of the target company for a period of two years from the date of closure of the public offer.

2.2 Details of the proposed Offer:

- 2.2.1** In compliance with Regulation 15(1) of SEBI (SAST) Regulations, 1997, the Public Announcement dated September 02, 2016 and the Corrigendum to the Public Announcement dated April 11, 2017 and has been published in the following newspapers:

Name of the Newspaper	Edition
The Financial Express (English National Daily)	All Editions
Jansatta (Hindi National daily)	All Editions
Kalantar (Regional Language Daily at the place where the Registered Office of the Target Company is situated)	Kolkata Edition
Mumbai Lakshadeep (Regional Language Daily at the place of the stock exchange where the shares of the target company are most frequently traded)	Mumbai Edition

- 2.2.2** A copy of the Public Announcement dated September 02, 2016 and Corrigendum to Public Announcement dated April 11, 2017 for the Open Offer are also available on the website of SEBI at www.sebi.gov.in.
- 2.2.3** The Acquirers are making an open offer to the Public Shareholders of KWALITY to acquire 8,44,541 fully paid-up Equity Shares of Rs.10/- each, ("**the offer**") representing 20% of its paid up equity share and voting capital at a price of Rs. 8.25 per share in cash ("**the Offer Price**" of Rs. 5 per share plus interest @ 10% per annum of Rs. 3.22). This offer is being made in compliance with the SEBI order dated 4.03.2015 and in compliance with Regulation 10 of the now repealed SEBI (SAST) Regulations 1997 read with Regulation 35(2)(b) of SEBI (SAST) Regulations 2011.
- 2.2.4** All the shares of the Target Company are fully paid up and there are no partly paid up shares in the Target Company.
- 2.2.5** The Acquirers will acquire upto 8,44,541 Equity Shares that are validly tendered in accordance with the terms of the Open Offer at the Offer Price. In the event the Equity Shares tendered in the Open Offer are more than the Equity Shares proposed to be acquired under the Open Offer, the acquisition of Equity Shares from the Eligible Shareholders will be on a proportionate basis, as per point no. 8.13 of this Letter of Offer.
- 2.2.6** The shares will be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all the rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 2.2.7** The Offer is not subject to any minimum level of acceptances. The Acquirers will accept all equity shares of KWALITY in terms of this Offer upto a maximum of 8,44,541 fully paid-up equity shares of Rs.10/- each, representing 20.00% of the fully paid-up equity and voting share capital of the Target Company.
- 2.2.8** Since the date of the PA to the date of this LOF, the Acquirers have not acquired any shares of KWALITY.
- 2.2.9** The consideration will be paid in Cash. There is no differential price since entire consideration is payable in cash.
- 2.2.10** Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirers have appointed, Gretex Corporate Services Private Limited, as the Manager to the Offer.

2.2.11 Upon completion of the Open Offer, assuming full acceptances, the Acquirers will hold 11,19,920 Equity Shares of the Target Company, representing a total of 26.53% of the Voting Paid-Up Share Capital of the Target Company. As per Clause 40A of the Listing Agreement read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR"), the Target Company is required to maintain at least 25% public shareholding, on a continuous basis for listing. If, pursuant to this Offer, the public shareholding in the Target Company reduces below the minimum level, the Acquirer hereby undertake that the Promoter/ Promoter Group shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.

2.3 Object of the Offer:

2.3.1 This offer has been made pursuant to Regulation 10 and other provisions of Chapter III and in compliance with the Regulations. The Acquirers do not belong to the Promoter & Promoter Group of the Target Company and had collectively acquired 6,83,717 shares constituting approximately 19.53% of the paid up capital of the Target Company through off-market transactions from September 17, 2010 to September 23, 2010, which was more than the permissible threshold limit of 15% prescribed under regulation 10 of the SEBI (SAST) Regulations, 1997, requiring Acquirers to make the Open offer within 4 working days being September 27, 2010 (Original PA Date). The acquirers failed to make the requisite Public Announcement in terms of SEBI (SAST) Regulations, 1997. Therefore, the SEBI vide its Order No. WTM/ RKA/ ERO/ 13-14/ 2015 has directed the Acquirers to make a Public Announcement to acquire shares of the Target Company in accordance with the provisions of the SEBI (SAST) Regulations, 1997, within a period of 45 days from the date of the order; and along with the consideration amount, pay an interest of 10% per annum from December 27, 2010 to the date of payment of consideration, to the shareholders who were holding the shares in the Target Company on the date of violation and whose shares are accepted in the Offer, after adjustment of dividend paid, if any and imposed a penalty of Rs. 40,00,000 on Acquirers. Accordingly the obligation of the Acquirers to make the Public Announcement under Regulation 10 of the SEBI (SAST) Regulations, 1997, in compliance with the SEBI Order, is being complied with now.

2.3.2 The prime object of the offer is to comply with the order issued by SEBI and at the same time give a fair exit opportunity to the shareholders of the Target Company at current date. In accordance with the Regulation 35 of the SEBI (SAST) Regulations, 2011, any obligation or liability acquired, accrued or incurred under SEBI (SAST) Regulations, 1997 shall remain unaffected as if the SEBI (SAST) Regulations, 1997 have never been repealed. Accordingly this Open Offer shall be undertaken and completed in accordance with the SEBI (SAST) Regulations, 1997.

2.3.3 As on the date of the PA, the Acquirers do not have any plan to dispose off or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company for commercial reasons and operational efficiencies.

2.3.4 The Acquirers undertake that they will not sell, dispose off or otherwise encumber any substantial assets of KWALITY except with the prior approval of the shareholders.

3. BACKGROUND OF THE ACQUIRERS:

3.1 Mr. Dharmendra Kothari, Mr Hemant Kothari, Mr Rajesh Kothari, Mrs Sunita Kothari and Mrs. Ichraj Devi Kothari, hereinafter collectively referred to as "The Acquirers".

3.2 The details of Acquirers are as mentioned below: INFORMATION ABOUT THE ACQUIRERS:

Name and Age of Acquirer	Fathers Name/Husband Name	Residential/ Office Address and Contact Details	No. and % of Shares of KWALITY held as on the date of LOF	Director in other entities	Experience	Position in the Target Company	Details of the CA, who certified the Net worth Certificate	Net Worth as on 31.03.2016 (Rs. in Lakh)

Mr. Dharmendra Kothari	Mr. LT Jhanwar Lal Kothari	10, Canning Street, 3rd Floor, Kolkata - 700 001, West Bengal, India. Phone:91-98311814 94Email Id: dharamm@gmail.com	73,376 (1.74%)	1. Guinness 16anna.Com Marketing Private Limited 2. Retsina Marketing Private Limited 3. Lord S Confectionery Private Limited 4. Guinness Commodities Private Limited 5. Guinness Securities Limited	More than 10 years of Experience in Securities Market	Shareholder	Mr. D. C. Bhandari, Proprietor of M/s D. C. Bhandari & Associates, Chartered Accountants, (Firm Registration No: 314178E and Membership No: 051795) having office at 71, B. R. B. Basu Road, Block "A" Room No 515, Kolkata - 700001, Contact No: 22354177, Email id: dcb057@yahoo.com	Rs. 137.24 Lakhs as on March 31, 2016 as per Net worth Certificate dated July 20, 2016
Mr. Hemant Kothari	Mr. LT Jhanwar Lal Kothari	220/2, Panditiya Road, Extension Kolkata-700029, West Bengal, India. Phone : 033-40629280 Email ID : kotharitors@yahoo.co.in	NIL	1. Mangalrashi Housing Private Limited 2. Kingdom Communications Private Limited 3. Star Light High Rise Private Limited@ 4. Star Light Enclaves Private Limited@ 5. Anand Joty Builders Pvt Ltd	More than 30 years of Experience in Real Estate Business.	-	Mr. Rajeev Kumar Ojha, proprietor of R K Ojha & Associates, Chartered Accountants, (Firm Registration No:329130E and Membership No: 302100) having office at 4, Tottee Lane, Park Street, Kolkata-700016, Contact Number - 9903880942, Email Id - carkojha@gmail.com	Rs. 298.82 Lakhs as on March 31, 2016 as per Net worth Certificate dated July 26, 2016
Mr. Rajesh Kothari,	Mr. LT Jhanwar Lal Kothari	10, Canning Street, 3 rd Floor, Kolkata - 700 001, West Bengal, India. Phone : 98310084 24 Email ID : trishla_saree@yahoo.co.in	NIL	1. Chunilal Jhanwarlal Traders Private Limited 2. Moh-Manthan Developers Private Limited	More than 10 years of Experience in Securities Market.	-	Mr. Hemant Kumar Agarwal, partner of Hemant K. Agarwal & Co, Chartered Accountants, (Firm Registration No:325033E and Membership No: 061250) having office at 7/1B, Hazra Road, 1st Floor , Suite No. 1 B, Kolkata-700026, Contact Number - 033-40052794, Email Id - cahkagarwal@gmail.com	Rs. 32.75 Lakhs as on March 31, 2016 as per Net worth Certificate dated August 24, 2016
Mrs. Sunita Kothari,	Mr. Kamal Kumar Kothari	10, Canning Street, 3 rd Floor, Kolkata - 700 001, West Bengal, India. Phone: 91-98311814 94. Email Id: dharamm@gmail.com	1,59,103 (3.77)	NIL	12 years of Experience in Securities Market	shareholder	Mr. D. C. Bhandari, Proprietor of M/s D. C. Bhandari & Associates, Chartered Accountants, (Firm Registration No: 314178E and Membership No: 051795) having office at 71, B. R. B. Basu Road, Block "A" Room No 515, Kolkata - 700001, Contact No: 22354177, Email id: dcb057@yahoo.com	Rs. 175.45 Lakhs as on March 31, 2016 as per Net worth Certificate dated July 20, 2016

Mrs. Ichraj Devi Kothari,	Mr. LT. Jhanwar Lal Kothari	10, Canning Street, 3 rd Floor, Kolkata - 700 001, West Bengal, India Phone: 91-9831181494. Email Id: dharamm m@gmail.com	42,900 (1.02)	NIL	N.A.	Shareholder	Mr. D. C. Bhandari, Proprietor of M/s D. C. Bhandari & Associates, Chartered Accountants, (Firm Registration No: 314178E and Membership No: 051795) having office at 71, B. R. B. Basu Road, Block "A" Room No 515, Kolkata - 700001, Contact No: 22354177, Email id: dcb057@yahoo.com	Rs. 172.60 Lakhs as on 31st March, 2016 as per Net worth Certificate dated 20 th July 2016
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@Both are converted to LLP.

3.3 Relationship between the Acquirers:

Name of Acquirers	Nature of Relationship
Mr. Dharmendra Kothari	Brother of Mr. Hemant Kothari and Mr. Rajesh Kothari, Son of Mrs. Ichraj Devi Kothari and Brother-in-law of Mrs. Sunita Kothari
Mr. Hemant Kothari	Brother of Mr. Dharmendra Kothari and Mr. Rajesh Kothari, Son of Mrs. Ichraj Devi Kothari and Brother-in-law of Mrs. Sunita Kothari
Mr. Rajesh Kothari	Brother of Mr. Dharmendra Kothari and Mr. Hemant Kothari, Son of Mrs. Ichraj Devi Kothari and Brother-in-law of Mrs. Sunita Kothari
Mrs. Sunita Kothari,	Sister-in-law of Mr. Dharmendra Kothari, Mr. Hemant Kothari, Mr. Rajesh Kothari and daughter-in-law of Mrs Ichraj Devi Kothari
Mrs. Ichraj Devi Kothari	Mother of Mr. Dharmendra Kothari, Mr. Hemant Kothari and Mr. Rajesh Kothari and mother in law of Mrs. Sunita Kothari

3.4 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11, 11B read with Section 19 of the Securities and Exchange Board of India, 1992 ("SEBI Act") and regulation 44 and 45 of the SEBI (SAST) Regulations, 1997 read with regulations 32 and 35 of the SEBI (SAST) Regulations, 2011.

3.5 Disclosures in terms of Regulations 16(ix) of the Regulations & Acquirers future plans for KWALITY:

3.5.1 This offer has been made pursuant to Regulation 10 and other provisions of Chapter III and in compliance with the Regulations. The Acquirers do not belong to the Promoter & Promoter Group of the Target Company and had collectively acquired 6,83,717 shares constituting approximately 19.53% of the paid up capital of the Target Company through off-market transactions from September 17, 2010 to September 23, 2010, which was more than the permissible threshold limit of 15% prescribed under Regulation 10 of the SEBI (SAST) Regulations, 1997, requiring Acquirers to make the Open offer within 4 working days being September 27, 2010 (Original PA Date). The acquirers failed to make the requisite Public Announcement in terms of SEBI (SAST) Regulations, 1997. Therefore, the SEBI vide its Order No. WTM/ RKA/ ERO/ 13-14/ 2015 dated March 04, 2015 has directed the Acquirers to make a Public Announcement to acquire shares of the Target Company in accordance with the provisions of the SEBI (SAST) Regulations, 1997, within a period of 45 days from the date of the order; and along with the consideration amount, pay an interest of 10% per annum from December 27, 2010 to the date of payment of consideration, to the shareholders who were holding the shares in the Target Company on the date of violation and whose shares are accepted in the Offer, after adjustment of dividend paid, if any. SEBI vide Adjudication Order No. JJ/AM/AO-36-41/2014 dated March 25, 2014 imposed a penalty of Rs 40,00,000/- for violation of Open Offer under Regulation 10 of the SEBI (SAST) Regulations, 1997. Accordingly, the Acquirers paid Rs 40,00,000/- by way of demand draft No 057236 and 057 237 dated April 24, 2015.

3.5.2 Accordingly the obligation of the Acquirers to make the Public Announcement under Regulation 10 of the SEBI (SAST) Regulations, 1997, in compliance with the SEBI Order, is being complied with now.

3.5.3 The prime object of the offer is to comply with the order issued by SEBI and at the same time give a fair exit opportunity to the shareholders of the Target Company at current date in accordance with the Regulation 35 of the SEBI (SAST) Regulations, 2011.

3.5.4 The offer will not result in change in control of Target Company and no changes are proposed to be made in the Board of Directors of the Target Company consequent to this Offer.

3.5.5 The prime object of the offer is to comply with the order issued by SEBI and at the same time give a fair exit opportunity to the shareholders of the Target Company at current date. In accordance with the Regulation 35 of the SEBI (SAST) Regulations, 2011, any obligation or liability acquired, accrued or incurred under SEBI (SAST) Regulations, 1997 shall remain unaffected as if the SEBI (SAST) Regulations, 1997 have never been repealed. Accordingly this Open Offer shall be undertaken and completed in accordance with the SEBI (SAST) Regulations, 1997.

3.5.6 As on the date of the PA, the Acquirers do not have any plan to dispose off or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company for commercial reasons and operational efficiencies.

3.5.7 The Acquirers undertake that they will not sell, dispose off or otherwise encumber any substantial assets of KWALITY except with the prior approval of the shareholders.

4. DISCLOSURE OPTION IN TERMS OF REGULATION 21(2)

Pursuant to Open Offer, Assuming full acceptance, the public shareholding in Target Company below the minimum limit specified in the listing agreement with the Stock Exchange for the purpose of listing on a continuous basis would not result in public shareholding falling below the limit specified in the listing agreement for the purpose of listing on a continuous basis. As per the listing agreement, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis.

5. BACKGROUND OF THE TARGET COMPANY – KWALITY CREDIT AND LEASING LIMITED (“TARGET COMPANY” or “KWALITY”)

(The disclosure mentioned under this section has been sourced from website of the Target Company or provided by the Target Company or publicly available sources i.e www.bseindia.com/ <http://www.mca.gov.in>)

5.1 Brief History and Main Areas of Operations:

5.1.1 KWALITY having its registered office at 27, Weston Street, 5th Floor, Room No-526, Kolkata – 700012, West Bengal, India was originally incorporated as Kwaliti Credit & Leasing Private Limited on September 25, 1992 with Registrar of Companies, West Bengal and thereafter converted into a Public Limited Company with the name Kwaliti Credit and Leasing Limited and obtained a fresh certificate of incorporation dated March 24, 1995. The CIN of the Target Company is L65921WB1992PLC056686.

5.1.2 As on the date of LOF, The Authorised Share Capital of the Company is Rs. 4,70,00,000 comprising of 47,00,000 Equity Shares of Rs. 10 each. As on the date of this LoF the paid-up equity and voting share capital of KWALITY is Rs. 422,27,030 divided into 42,22,703 equity shares of Rs.10/- each fully paid-up. There are no partly paid-up shares.

5.1.3 As on the date of Letter of Offer, the Board of Directors of the Target Company comprises of 4 (Four) Directors. The details of the Board of Directors are as given below:

Name of Directors	DIN	Designation	Date of Appointment
Amu Thapa	00674928	Director	09/07/2012
Suresh Kumar Jain	00705828	Director	09/07/2012
Bhagwan Das Soni	02308414	Managing Director	01/01/2013
Babita Shah	07771685	Additional Director	07/04/2017

Source: www.mca.gov.in

5.1.4 Business Activity of the Company

As Per latest Annual Report, currently the Company is engaged in the business of providing loans and dealing in shares and securities.

Leasing & Financing:

The company is also engaged in the business of providing hypothecation of vehicle, equipment, and machinery also provide loan. The Company is also providing lease Syndication services by referring clients to other companies thereby earning professional charges for the same. KWALITY is also the player in the commercial vehicle and car finance segments.

5.1.5 Investments in Shares & Securities:

The Company is also engaged in the business of dealing in shares / stock / bonds / debentures / securities issued by the listed, non-listed companies, government or local authorities etc. or other securities of like marketable nature.

Advisory Service:

With world staring at abundance of opportunities in the whole advisory services sector, Company thought it would be indeed a great business move to enter in this space. It's urge to aid clients on viable investments and projects and generating return from the same. **Source: website of the Target Company: <http://www.kwalitycredit.com/>**

5.1.6 KWALITY is registered with Reserve Bank of India as Non Banking Financial Company having Registration No.05.02044 dated May 04, 1998.

5.1.7 The Company has established its connectivity with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). **ISIN:** INE577C01015.

5.1.8 Currently the equity shares of KWALITY are listed at the BSE Ltd (BSE) and The Calcutta Stock Exchange Limited (CSE). The Scrip Code of KWALITY is 531206 and 021082 on the BSE and CSE respectively. Earlier the equity share of KWALITY was listed at Jaipur Stock Exchange Limited (JSEL). Currently JSEL is derecognized vide SEBI order no WTM/RKA/MRD/20/2015 dated March 23, 2015.

5.1.9 The share capital structure of the Target Company is as follows:

Paid up Equity Shares of Target Company	No. of Shares/ Voting Rights	% of Shares/ Voting Rights
Fully Paid up Equity Shares	42,22,703	100%
Partly Paid up Equity Shares	Nil	Nil
Total Paid up Equity Shares	42,22,703	100%
Total voting rights in the Target Company	42,22,703	100%

5.1.10 The build-up of the Capital Structure of the Target Company as Certified and given by the of the Target Company are detailed as below:

Date / year of allotment	Shares Issued		Cumulative paid up Capital	Mode of allotment	Face Value (Rs.)	Identity of allottees	Compliance Status
	Number	%					
01/10/1992	200	0.005	200	Subscription to MOA.	10	Subscriber to the memorandum	Not Applicable
06/09/1993	11900	0.28	12100	Further Allotment	10	1. Prahlad Kumar Jhunjunwala 2. Mr. Dharmendra Bhuwalka	Not Applicable
30/09/1994	3000	0.07	15100	Further Allotment	10	1. Bimala Devi Kochar 2. Madhu Kochar 3. Reena Kochar	Not Applicable
17/10/1994	63000	1.49	78100	Further Allotment	10	1. Dharmendra Bhuwalka 2. Catex Marketing Pvt Ltd 3. Soarma Vinimay P Ltd 4. Gita Jain 5. Champalal Bardia	Not Applicable
30/01/1995	50000	1.18	128100	Further Allotment	10	1. Triara Vyapaar P Ltd 2. Catex Marketing Pvt Ltd	Not Applicable
16/02/1995	102000	2.42	230100	Further Allotment	10	1. Soarma Vinimay P Ltd 2. Jagat Kochar 3. Navin kumar Jhunjunwala 4. Triara Vyapaar P Ltd	Not Applicable
20/03/1995	769900	18.23	1000000	Further Allotment	10	Preferential Allottees	Not Applicable
14/10/1995	2500000	59.20	3500000	Public Issue	10	Public	Not Applicable
08/03/2013	722703	17.12	4222703	Preferential Issue	10	Non- Promoters	Not Applicable

5.1.11 The present composition Board of Directors of KWALITY as on the date of LOF is as follows:

Name of the Director	Residential Address	Qualification
Amu Thapa	31, Guitendal Lane, Howrah – 711101, West Bengal, India	Higher Secondary
Suresh Kumar Jain	3E, Ganguly Lane Kolkata - 700007, West Bengal, India	B.Com
Bhagwan Das Soni	27, Netaji Subhash Road, Ward No.22, Bally Howrah - 711204, West Bengal, India	B. Com
Babita Shah	24/1 Shibtala Lane, Uttarpara, Kotrung (M), Bhadrakali, Howrah - 712232	Higher Secondary

Source: <http://www.mca.gov.in/>, mark sheet provided by the Target Company.

5.1.12 There has been no merger/ demerger or spin off involving KWALITY during the last 3 years.

5.1.13 The applicable provisions of Chapter II and Chapter V of the Takeover regulations have not been fully complied with by the Target Company. There is no evidence of compliances as per Regulation 8(2) of SAST 1997 by erstwhile promoter or promoter group. No information available for compliances as per Regulation 8(3) of SAST 1997 or other Chapter II Compliances of SAST 1997.

5.1.14 *SEBI may initiate appropriate action against the Target Company and Promoters in terms of the Regulations and provisions of the SEBI Act for non-compliance of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011.*

5.2 Financial Information:

The financial information of KWALITY as per the audited accounts for the last three financial years ended March 31, 2014, March 31, 2015, March 31, 2016 and Unaudited financial for the nine months ended on December 31, 2016 are as follows:

Consolidated Profit & Loss Account

(Rs. in Lakh)

Particulars	Nine Month ended December 31, 2016 (Unaudited)	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2014 (Audited)
I. Income from Operations (net)	48.24	78.77	90.38	220.95
II. Other Income	0.16	-	-	-
III. Total Income (I+II)	48.39	78.77	90.38	220.95
IV. Expenses				
Purchases of Stock in Trade	-	-	-	-
Changes in Inventory	-	-	13.77	137.72
Employee Benefits Expenses	10.14	4.74	2.82	3.93
Finance Cost	3.71	3.76	38.01	-
Depreciation & Amortisation Expense	0.21	0.22	0.46	1.02
Other Expenses	34.68	67.19	63.15	75.09
Contingent Provision for Standard Assets	-	-	0.15	1.17
V. Expenses	48.74	75.91	118.36	218.93
VI. Profit before Tax & Extra-Ordinary item (III-V)	(0.35)	2.86	(27.98)	2.02
Loss on Sale of Fixed Assets	-	-	0.22	-
VII Profit Before Tax	(0.35)	2.86	(28.20)	2.02
Tax Expense				
(1) Current Income Tax	-	(1.87)	-	1.12
(2) Deferred Tax	-	-	-	-
(3) (Excess)/ Short provision for Income tax in earlier years	-	-	-	-
VIII Total Tax Expense	(0.35)	(1.87)	-	1.12
IX. Profit for the year (VII-VIII)	(0.35)	0.99	(28.20)	0.90
X. Earnings per share (in Rs.)				
(1) Basic	(0.01)	0.02	(0.67)	0.02
(2) Diluted	(0.01)	0.02	(0.67)	0.02

Consolidated Balance Sheet
(Rs. in Lakh)

Particulars	Nine Month ended December 31, 2016 (Unaudited)	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2014 (Audited)
EQUITY AND LIABILITIES				
Shareholders' Fund				
(a) Share Capital	422.27	422.27	422.27	422.27
(b) Reserve and Surplus	690.84	683.04	683.36	711.55
Non-current Liabilities				
(a) Long Term Borrowings	-	-	-	-
(b) Long Term Provisions	-	-	-	-
Current Liabilities				
(a) Short Term Borrowings	61.72	58.38	-	672.00
(b) Trade Payables	11.72	38.29	102.00	-
(c) Other Current Liabilities	1.86	245.32	24.69	0.23
(d) Short Term Provisions	1.91	3.78	2.61	2.46
TOTAL	1190.32	1451.08	1234.93	1808.51
ASSETS				
Non- Current Assets				
(a) Fixed Assets	-	-	-	-
(i) Tangible Assets	0.40	0.61	0.42	1.11
(b) Non-Current Investments	176.84	474.45	59.05	777.00
(c) Current Investments	-	-	-	-
(d) Long-Term Loans and Advances	900.13	171.41	85.10	110.44
Current Assets				
(a) Inventories	-	-	-	13.77
(b) Trade Receivables	84.05	0.07	94.00	-
(c) Cash and Bank Balances	21.49	31.48	11.75	26.83
(d) Short-Term Loans and Advances	7.41	773.06	984.60	879.36
TOTAL	1190.32	1451.08	1234.93	1808.51

Consolidated Other Financial Data
(Rs. in Lakh)

Particulars	December 31, 2016 (Un-Audited)	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2014 (Audited)
Dividend (%)	-	-	-	-
Earning Per Shares(Rs.)	(0.01)	0.02	(0.67)	0.02
Return on Networth (%)	0.00	0.00	-0.03	0.00
Book Value Per Share (Rs.)	26.36	26.18	26.18	11.69

Note:

- (i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/period
- (ii) Return on Net Worth = Profit after Tax /Net Worth
- (iii) Book Value per Share = Net Worth / No. of equity shares
- (iv) Source: Audited Annual Accounts/ Reports

Reason for fall/rise in Total Income, Expenditure and PAT in the relevant year if applicable: - Year wise reason for the fall in the Total Income, Expenditure & PAT is cited below: -

1. Reason for change in Total Income, Expenditure & PAT for the year ended March 31, 2016 over year ended March 31, 2015: - Total Income for the year ended March 31, 2016 was Rs. 78.77 Lakh as compared to Rs. 90.38 Lakh for the year ended March 31, 2015. The decrease in total income was mainly due to decrease in income from Sales. The total expenditure decreased to Rs. 75.91 Lakh for the year ended March 31, 2016 from Rs. 118.36 Lakh for the year ended March 31, 2015 mainly on account of decrease in finance cost and inventory. There was a the profit for the year ended March 31, 2016 of Rs. 0.99 Lakh as compared to a net Loss of Rs. 28.20 Lakh for the year ended March 31, 2015.

2. Reason for change in Total Income, Expenditure & PAT for the year ended March 31, 2015 over year ended March 31, 2014: -

Total Income for the year ended March 31, 2015 was Rs. 90.38 Lakh as compared to Rs. 220.95 Lakh for the year ended March 31, 2014. The decrease in total income was mainly due to decrease in Sales. The total expenditure decrease to Rs. 118.36 Lakh for the year ended March 31, 2015 from Rs. 218.93 Lakh for the year ended March 31, 2014 mainly on account of decrease in inventory. There was a the loss for the year ended March 31, 2015 of Rs. 28.20 Lakh as compared to a net profit of Rs. 0.90 Lakh for the year ended March 31, 2014.

5.3 Pre and Post-Offer Shareholding Pattern of KWALITY (based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under:

Shareholders' Category	Shares/voting rights of the Acquirers when open offer has been triggered under the SEBI(SAST) Regulation, 1997 (31.12.2010)		Shareholding /voting rights as on the date (07.04.2017)		Shares/voting rights to be acquired in open Offer (assuming full acceptances)		Shareholding /voting rights after Acquisition and Offer (B+C)	
	A		B		C		D	
	No of shares	%	No of shares	%	No of shares	%	No of shares	%
I. Promoters								
Anjana Devi Jhunjunwala	18800	0.54	-	-	-	-	-	-
Manju Jhunjunwala	18550	0.53	-	-	-	-	-	-
Prahalad Kumar Jhunjunwala	92000	2.63	-	-	-	-	-	-
Total Promoter	129350	3.70	-	-	-	-	-	-
2 Public Shareholding								
Bodies Corporate	1892914	54.08	900396	21.32	(844541)	(20.00)	3102783	73.15
Individuals	794019	22.68	2896624	68.60				
Others	-	-	150304	3.55				
Acquirers					844541	20.00	844541	20.00
Dharmendra Kothari	125876	3.60	73376	1.74	-	-	73376	1.74
Hemant Kothari	100000	2.86	-	-	-	-	-	-
Rajesh Kothari	48738	1.39	-	-	-	-	-	-
Sunita Kothari	159103	4.55	159103	3.77	-	-	159103	3.77
Ichraj Devi Kothari	100000	2.86	42900	1.02	-	-	42900	1.02
Pradeep Kumar Kothari	150000	4.29	-	-	-	-	-	-
Total Public	3370650	96.30	4222703	100.00	-	-	4222703	100.00
Grand Total	3500000	100.00	4222703	100.00	-	-	4222703	100.00

Notes :

1. As on the date, the number of shareholders in KWALITY in public category is 1447 other than Acquirers.
2. No Equity Shares are subject to lock in.
3. Face value of Equity Shares of Target Company is Rs. 10/- each.
4. The Acquirers have not acquired any shares from the date of PA till the date of this LOF.

5.4 The majority of the Target Company's investment is in equity of its 21 wholly owned subsidiaries.

5.5 The details of the build-up of the Promoter shareholding in the Target Company are as follows:

Opening Shareholdings			Purchase / Inter se Transfer/ transmission made during the year	Sale / Inter se /Transfer/ transmission made during the year	Mode of allotment / acquisition/ sale	Closing Shareholdings		
As on	No. of Shares	%				As on	No. of Shares	%
01.04.1998	17,50,000	50.00%	N.A.	N.A.	N.A.	31.03.1999	17,50,000	50.00%
01.04.1999	17,50,000	50.00%	N.A.	1,96,000	Sale	31.03.2000	15,54,000	44.40%
01.04.2000	1,554,000	44.40%	N.A.	N.A.	N.A.	31.03.2001	15,54,000	44.40%
01.04.2001	1,554,000	44.40%	90,000	15,52,000	Acquisition/ Sale	31.03.2002	1,284,000	36.69%
01.04.2002	1,284,000	36.69%	N.A.	N.A.	N.A.	31.03.2003	92,000	2.63%
01.04.2003	92,000	2.63%	N.A.	N.A.	N.A.	31.03.2004	92,000	2.63%
01.04.2004	92,000	2.63%	38,550	N.A.	Acquisition	31.03.2005	130,550	3.73%
01.04.2005	130,550	3.73%	N.A.	N.A.	N.A.	31.03.2006	130,550	3.73%
01.04.2006	130,550	3.73%	N.A.	N.A.	N.A.	31.03.2007	130,550	3.73%
01.04.2007	130,550	3.73%	N.A.	N.A.	N.A.	31.03.2008	130,550	3.73%
01.04.2008	130,550	3.73%	N.A.	N.A.	N.A.	31.03.2009	129,350	3.70%
01.04.2009	129,350	3.70%	N.A.	N.A.	N.A.	31.03.2010	129,350	3.70%
01.04.2010	129,350	3.70%	N.A.	N.A.	N.A.	31.03.2011	129,350	3.70%
01.04.2011	129,350	3.70%	N.A.	N.A.	N.A.	31.03.2012	129,350	3.70%
01.04.2012	129,350	3.70%	N.A.	37,350(\$)	Sale	31.03.2013	92,000	2.18%
01.04.2013	92,000	2.18%	N.A.	50,000	Sale	31.03.2014	42,000	0.99%
01.04.2014	42,000	0.99%	N.A.	42,000(\$)	Sale	31.12.2014	0	0.00%

Source: www.bseindia.com

(\$) No documentary evidence is available.

And currently there is no promoter of the Target Company.

^ Compliance Status as per Chapter II of SAST 1997 and Chapter V of SAST 2011 are not available.

(1) Details transaction of erstwhile promoter Anjana Devi Jhunjhunwala and Manju Jhunjhunwala are provided below:

S. No	Date of transaction	Date of Disclosure	No of shares and %	Compliance Status @
1	March 15, 2013	March 19, 2013	37350(1.07%)	Disclosure has been made to BSE Ltd and The Calcutta Stock Exchange Ltd. But content of disclosure of CSE is different from BSE. In CSE the disclosure is made by both Anjana Devi Jhunjhunwala and Manju Jhunjhunwala but in BSE the disclosure is made by only Manju Jhunjhunwala.

(2) Details transaction of erstwhile promoter Mr. Prahlad Kumar Jhunjhunwala is provided below:

S. No	Date of transaction	Date of Disclosure	No of shares and %	Compliance Status @
1	November 17, 2014	November 19, 2014	17000(0.40%)	Disclosure has been made to BSE Ltd, but acknowledgement of The Calcutta Stock Exchange Ltd is not available.
2	November 20, 2014	November 22, 2014	15000(0.36%)	Disclosure has been made to BSE Ltd, but acknowledgement of The Calcutta Stock Exchange Ltd is not available.

@ No acknowledgement of JSEL is available.

5.6 Corporate Governance :

The Target Company has confirmed that it is in compliance with the Corporate Governance.

5.7 Compliance Officer:

Mr. Bhagwan Das Soni, address: 27, Weston Street, 5th Floor, Room No. 526 Kolkata – 700 012, West Bengal, India is acting as Compliance Officer of the Company, Tel. No.: 91-9681634539 , Email Id: kwalitycredit50@yahoo.com

Source: website of the Target Company: <http://www.kwalitycredit.com/>

6. OFFER PRICE & FINANCIAL ARRANGEMENTS:

6.1 Justification of Offer Price:

6.1.1 As on date of the Letter of Offer, and on the date that the PA should have been given i.e. September 27, 2010 the Equity Shares of the KWALITY are listed at BSE and CSE only. However, it must be noted that the shares of KWALITY are inactive for trading in BSE while suspended in CSE.

6.1.2 The Annualised trading turnover during the preceding six calendar months prior to the month in which the PA should have been made (i.e. during the months March 2010 to August 2010) is given hereunder:

Name of Stock Exchange	Total no of shares traded during the 6 calendar months prior to the month in which PA was made	Total No. of listed Shares	Annualised Trading Turnover (in terms of % to total listed shares)
BSE	NIL	35,00,000	NA
CSE#	NIL	35,00,000	NA

There is no trading platform available in CSE.

6.1.3 As per available information, the equity shares of the Target Company are infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations and therefore the Offer Price has been determined taking into account the following parameters: -

The price for which open offer was triggered	Rs. 5/-
Highest price paid by the Acquirers for acquisitions including by way of allotment in a public or rights issue or preferential issue, if any during the twenty six weeks period prior to the date of the Public Announcement	N.A
Average of the weekly high and low of the closing prices of the equity shares of KWALITY as quoted on the BSE during the 26 weeks preceding the date of PA	N.A
Average of the weekly high and low of the prices of the equity shares of KWALITY as quoted on the BSE during the 2 weeks preceding the date of PA	N.A
Other Parameters	Based on Audited Accounts for the year ended 31.03.2010
Return on Net worth (%)	0.25%
Book Value per share (Rs.)	9.61
Earnings per Share (Rs.)	0.02
Industry Average P/E Multiple for Finance & Investments	N.A
Offer price P/E Multiple*	N.A

*Offer Price/EPS

Mr. Sailesh Agarwal, Partner of M/s. SARP & Associates, (Membership No. 063220) Firm Registration No : 007375C, Chartered Accountants having its office at 4, Fairlie Place, HMP House, 1st Floor, Room No – 105, Kolkata- 700001, vide certificate dated August 29, 2016 has stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 Com case 30), the fair value of the equity shares of Target Company is Rs. 5/- per share.

The offer price for the open offer has been revised from Rs. 8/- (the "Offer Price" of Rs. 5/- per share plus interest @ 10% per annum of Rs.3/-) to Rs.8.25 per share (the "Offer Price" of Rs. 5/- per share plus interest @ 10% per annum of Rs.3.22).

Hence the Fair Value has been arrived at Rs. 5/- per share. Further in addition to Fair Value of Rs. 5/-, an interest of Rs. 3.22 per share (calculated @ 10% p.a. on Rs. 5/- from the period December 27, 2010 to May 27, 2017 the date of payment consideration i.e., has been added to the Fair Value).

In view of the above, the offer price of Rs. 8.25 per share is justified in terms of Regulation 20(5) and other applicable provisions of the SEBI (SAST) 1997.

- 6.1.4** The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 6.1.5** The Acquirers would be responsible for ensuring compliance with the Regulations for the consequences arising out of the acquisition of shares, if any, made after the date of Public Announcement i.e. 02.09.2016 in terms of Regulation 20(7) of the Regulations.
- 6.1.6** It is ensured that the Offer Price shall not be less than the highest price paid by the Acquirers for any acquisition of shares of the Target Company from the date of Public Announcement up to 7 working days prior to the closure of the offer viz. May 03, 2017.

Note: SEBI vide its Letter No. CFD/DCR/OW/2017/7837 dated April 06, 2017 has directed to the Acquirers to pay the interest for the extension of date of payment of consideration from November 25, 2016 to May 27, 2017.

6.2 Financial arrangements:

- 6.2.1** The Acquirers have adequate financial resources and have made firm financial arrangement for the implementation of the Offer in full out of their own sources / networth and no borrowings from Banks/ FIs or Foreign sources is envisaged. Mr. D. C. Bhandari, Proprietor of M/s D. C. Bhandari & Associates, Chartered Accountants, (Firm Registration No: 314178E and Membership No: 051795) having office at 71, B. R. B. Basu Road, Block "A" Room No 515, Kolkata - 700001, Contact No: 22354177, Email id: dcb057@yahoo.com vide certificate dated August 29, 2016 has certified that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.
- 6.2.2** The maximum consideration payable by the Acquirers to acquire 8,44,541 fully paid-up equity shares at the Offer Price of Rs. 8.25 (Rupees Eight and Twenty Five Paise) per equity share, assuming full acceptance of the offer would be Rs. 69,67,463/- (Rupees Sixty Nine Lakh Sixty Seven Thousand Four Hundred Sixty Three Only).
- 6.2.3** In accordance with Regulation 28, the Acquirer and PACs have opened an Escrow account under the name and style of **"KCCL - Open Offer Escrow Account"** with HDFC Bank (hereinafter referred to as **"Escrow Banker"**) Central Plaza Branch, 2/6, Sarat Bose Road, Kolkata - 700 020 & initially deposited therein Rs 16,89,100/- being more than 25% of the total consideration payable to shareholders under the Offer. Pursuant to increase in offer price, additional amount of Rs 55,000/- in the Escrow Account has been deposited. The aggregate of the additional amount and the amount of Rs 16,89,100/- (Rupees Sixteen Lakh Eighty Nine Thousand One Hundred Only) originally deposited by the Acquirer in the Escrow Account, is more than 25% of the revised maximum consideration payable by the Acquirer under this Offer (assuming full acceptance of this Offer); The total revised aggregate amount is Rs. 17,44,100/- (Rupees Seventeen Lakh Forty Four Thousand One Hundred Only) of the revised maximum consideration payable under this Offer (assuming full acceptance) in accordance with Regulation 28 of the Takeover Regulations.
- 6.2.4** The Manager to the Offer, Gretex Corporate Services Private Limited, has been duly authorized by the Acquirers to operate & realize the value of Escrow Account in terms of the Regulations.
- 6.2.5** Based on the aforesaid financial arrangements and based on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations, 1997. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER:

- 7.1** The Letter of Offer ("LOF") together with Form of Acceptance cum Acknowledgement shall be mailed to those equity shareholders of KWALITY (other than the Acquirers) whose names appear on the Register of Members of KWALITY and to those beneficial owners of the Equity shares of KWALITY, whose names appear as beneficiaries on the records of the respective Depository Participant ("DP"), at the close of business hours on 16.09.2016 ("Specified Date"). The LOF along with Form of Acceptance ("FoA") and Form of Withdrawal ("FoW") would also be available at SEBI's website: www.sebi.gov.in from the date on which Offer opens. Eligible persons to the offer may download these forms for their use.
- 7.2** Shareholders holding equity shares in physical form who wish to accept the Offer and tender their shares, will be required to send their (i) duly signed Form of Acceptance, (ii) original share certificate(s), (iii) duly signed and executed transfer deed(s) and other documents to the Registrar to the Offer, in accordance with the instructions specified in the LOF.
- 7.3** All owners (registered or unregistered) of the shares of KWALITY (except parties to the Agreement) are eligible to participate in the Offer. Unregistered shareholders / Owner of shares who have sent shares for transfer can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of shares held, No. of shares offered, Distinctive Nos., Folio No., together with Original share certificate(s), valid share transfer deeds and a copy of contract notes issued by the broker through whom they have acquired their shares. No indemnity is required from unregistered shareholders.

7.4 Accidental omission to dispatch this LOF or the non-receipt or delayed receipt of this LOF will not invalidate the Offer in anyway.

7.5 Subject to the conditions governing this Offer, as mentioned in the LOF, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

7.6 Locked-in Shares:

There are no locked-in shares in KWALITY.

7.7 Eligibility for accepting the Offer:

The Offer is made to all the public shareholders whose names appeared in the register of shareholders on 16.09.2016 and also to those PERSONS who own shares any time prior to the closure of offer, but are not registered with shareholders.

7.8. Statutory Approvals and conditions of the Offer:

7.8.1 The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders, if any.

7.8.2 As on the date of Letter of Offer, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

7.8.3 In case of delay in receipt of statutory approvals, SEBI has power to grant extension of time to Acquirers for payment of consideration to shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will become applicable.

7.8.4 No approval is required from bank or financial Institutions for the aforesaid Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

8.1 The Shareholder(s) of KWALITY who qualify and who wish to avail of this Offer will have to send their shares to the Registrar to the Offer as mentioned in the Form of Acceptance at the following address:

Name	M/S. C B Management Services (P)Limited
Address	P-22 Bondel Road Kolkata 700019, West Bengal, India.
Tel No/Fax	Tel.: +91 33 40116700,2280 6692/93/94/2486 Fax : +91 33 2287 0263
Contact Person	Mr. Amit Kumar Banerjee
Website	www.cbmsl.com

Acceptances may be sent by Registered Post or by hand so as to reach the Registrar to the Offer on or before the Closing 13.05.2017. Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday – Friday	11.00 a.m. to 5.00 p.m.	Hand Delivery
Saturday	11.00 a.m. to 2.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

8.2 Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent.

8.2.1 For Equity Shares held in physical form:

(i) Registered shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
- Original Share Certificates
- Valid share transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with KWALITY and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this LO.

(ii) Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein.
- Original share Certificate(s)
- Broker contract note.
- Valid share transfer form(s) as received from the market. The details of the buyer should be left blank failing which the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. All other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders.

8.2.2 For equity shares held in Demat Form:

Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depositories.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off- market" mode, duly acknowledged by DP in favour of the special depository account (please see below) before the close of the business hours on 13.05.2017.

8.3 The Registrar to the Offer, M/S. C B MANAGEMENT SERVICES PRIVATE LIMITED has opened a special depository account with Ashika Stock Broking Limited (Registered with CDSL). The details of the special depository account are as follows:-

DP Name	Ashika Stock Broking Limited
DP ID	12034500
Client ID	00773545
Account name	"KCCL - Open Offer – Escrow DP Account."
Depository	CDSL

8.4 Beneficial owners (holders of shares in dematerialized form) who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant in favour of the Special Depository Account, to the Registrar to the Offer, in accordance with the instructions to be specified in the LOF.

8.5 For each delivery instruction, the beneficial owner should submit a separate Form of acceptance. In the case of Demat shares, the shareholders are advised to ensure that their shares are credited in favour of special depository account, before the closure of the Offer. The Form of acceptance of such Demat shares not credited in favour of the Special Depository Account before the closure of the Offer is liable to be rejected.

8.6 The Share Certificate(s), Share Transfer Form, Form of Acceptance, Form of Withdrawal and other documents, if any should be sent only to the Registrar to the Offer, as mentioned above. They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.

8.7 In case of non-receipt of Letter of Offer, the eligible persons may send their consent, to the Registrar to the Offer, on a plain paper stating the Name & address of the first holder, Name(s) & address(es) of joint holders(s) if any, Regd. Folio No., Share Certificate No., Distinctive Nos., No of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the closure of the Offer i.e. 13.05.2017 or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer on a plain paper stating the Name, Address, No. of shares held, No. of Shares offered, DP Name, DP ID No., Beneficiary account number and a photocopy of the delivery instruction in "Off Market" mode, duly acknowledged by the DP, in favour of special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer i.e. 13.05.2017.

8.8 Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

8.9 While tendering the equity shares under the Offer, NRIs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirers reserve the right to reject such equity shares tendered. While tendering shares under the Offer, NRI/ foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, the Acquirers will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

8.10 As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act.

- 8.11** The Acquirers shall complete all procedures relating to the Offer including payment of consideration to the shareholders by 27.05.2017. In case of delay due to non-receipt of the statutory approvals within time, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest to the shareholders for delay in payment of consideration beyond 27.05.2017.
- 8.12** Payment of consideration will be made by crossed account payee cheques /demand drafts / pay orders / through ECS mode of payment and will be sent by registered post, to those shareholders / unregistered owners & at their sole risk, whose shares/ share certificates & other documents are found in order & accepted by Acquirers in part or in full except in case of joint holders, cheques / demand drafts/ pay orders/ECS Credit, in the name of first holder. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that same can be incorporated in the cheques / demand drafts / pay orders. In order to get payment through ECS mode shareholders are requested to provide their Bank Details like Account Number, Name of the Bank and its address, IFSC Code of Bank etc.
- 8.13** In case the shares tendered in the Offer by the shareholders of KWALITY are more than the shares to be acquired under the Offer, the acquisition of the shares from each shareholder will be as per the provision of regulation 21(6) of the Regulations on a proportionate basis.
- 8.14** Unaccepted share certificates, transfer forms & other documents, if any, will be returned by registered post at the shareholders/ unregistered owners sole risk to the sole / first shareholder. Shares held in Demat Form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owners.
- 8.15** The Registrar to the Offer will hold in trust the Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of KWALITY who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.
- 8.16** In case any person has lodged shares of KWALITY for transfer & such transfer has not yet been effected, the concerned person may apply as per the instructions in Para 8.6 above together with the acknowledgement of lodgement of shares for transfer. Such persons should also instruct KWALITY to send the transferred share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the certificate(s) reached the Registrar to the Offer on or before the Offer closing date.
- 8.17** In case any person has tendered his physical shares in KWALITY for dematerialization & such dematerialization has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialization request form acknowledged by shareholders DP. Such shareholders should ensure the credit of the shares to the special depository account on or before the Offer closing date.
- 8.18** In case the shareholder has already sold his Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold.
- 8.19** In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered up to three working days prior to the date of closure of the Offer by submitting the documents as specified below, so as to reach the Registrar to the Offer on or before 09.05.2017. The withdrawal can be exercised by submitting Form of Withdrawal enclosed with Letter of Offer. In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making plain paper application along with the following details:
- In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.
 - In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account.
- 8.20** The Acquirers undertake to pay interest pursuant to Regulation 22(12) to the shareholders for the delay, if any, in payment of consideration.
- 8.21** The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

9. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Head office of the Manager to the Offer, M/s. Gretex Corporate Services Private Limited at Office No – 13, 1st Floor, (New Bansilal Building), 9-15 , Homi Modi Street, Fort, Mumbai- 400023 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 24.04.2017 to 13.05.2017.

- i)** Memorandum & Articles of Association of Kwaliti Credit & Leasing Limited along with Certificate of Incorporation.
- ii)** Audited Annual Accounts for the year ended 31st March 2016, 31st March 2015 and 31st March 2014 of Kwaliti Credit and Leasing Limited.

- iii) Certificates from Mr. D. C. Bhandari, Proprietor of M/s D. C. Bhandari & Associates, Chartered Accountants, , Mr. Rajeev Kumar Ojha, proprietor of R K Ojha & Associates, Chartered Accountants, and Mr. Hemant Kumar Agarwal, partner of Hemant K. Agarwal & Co, Chartered Accountants, certifying the Net worth of Acquirers.
- iv) Certificate dated 29.08.2016 from Mr. D. C. Bhandari, Proprietor of M/s D. C. Bhandari & Associates, Chartered Accountants, (Firm Registration No: 314178E and Membership No: 051795) having office at 71, B. R. B. Basu Road, Block "A" Room No515, Kolkata - 700001, Contact No: 22354177, Email id: dcb057@yahoo.com that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.
- v) Certificate dated 29.08.2016 from Mr. Sailesh Agarwal, partner of M/s. SARP & Associates, (Membership No. 063220) Firm Registration No : 007375C, Chartered Accountants having its office at 4, Fairlie Place, HMP House, 1st Floor, Room No – 105, Kolkata- 700001, West Bengal, Tel. No.: +91 33 40060286 relating to the fair value of the equity shares of the Target Company as per Regulation 20(5) of the Regulations.
- vi) Statement of Account from HDFC Bank dated from August 28, 2016 to April 10, 2017 confirming the cash deposit on August 30, 2016 and April 10, 2017 kept in the Escrow Account.
- vii) The copy of Escrow agreement dated August 23, 2016 entered into between the Acquirers , HDFC Bank, Central Plaza, 2/6, Sarat Bose Road, Kolkata – 700 020 ('Escrow Banker') and the Manager for opening of Escrow Account.
- viii) Copy of the Public Announcement dated September 02, 2016 and Copy of Corrigendum of Public Announcement dated April 11, 2017.
- ix) Copy of the Memorandum of Understanding between the Acquirers and the Manager to the Offer, dated July 19, 2016.
- x) Copy of Memorandum of Understanding dated August 31, 2016 entered into between Acquirers and RTA and the Manager to the Offer.
- xi) Copy of Order (**Ref. No. WTM/ RKA/ ERO/ 13 - 14 /2015**) dated **04.03.2015** issued by the Securities and Exchange Board of India (SEBI).
- xii) Copy of Order (**Adjudicating Order No JJ/ AM/ AO-36 - 41 /2014**) dated **25.03.2014** issued by the Securities and Exchange Board of India (SEBI).
- xiii) Copy of SEBI letter no. CFD/DCR/OW/2017/7837 dated April 06, 2017 issued in terms of proviso to the regulation 18(2) of the regulations.

10. DECLARATION BY THE ACQUIRERS:

- 10.1** The Acquirers and its directors accepts full responsibility for the obligations of the Acquirers as laid down in terms of the SEBI (SAST) Regulations and for the information contained in the Letter of Offer including the attached form of acceptance cum acknowledgement except information pertaining to the Target Company in the Letter of Offer. All information pertaining to the Target Company in this Letter of Offer has been obtained from publicly available sources.
- 10.2** The Acquirers also accept full responsibility for his obligation under the Offer and shall be liable for ensuring compliances with the provisions of the SEBI (SAST) Regulations.

On Behalf of the Acquirers

Sd/-

Mr Dharmendra Kothari

Place: Kolkata

Date: April 12, 2017

Attached: Form of Acceptance cum Acknowledgement & Form of Withdrawal

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

To,

M/s. CB Management Services (P) Ltd.,
P-22, Bondal Road
Kolkata – 700 019

Date:

OFFER	
Opens on	April 24,2017
Closes on	May 13, 2017
Last date of Withdrawal	May 09,2017

Dear Sir,

Subject: Open Offer by Mr. Dharmendra Kothari, Mrs. Sunita Kothari, Mrs. Ichraj Devi Kothari and Mr Rajesh Kothari residing at 10, Canning Street, 3rd Floor, Kolkata -700 001, West Bengal, India and Mr. Hemant Kothari residing at 220/2, Panditija Road, Extention Kolkata - 700029, West Bengal, India. (hereinafter referred to as "The ACQUIRERS") to the shareholders of Kwaliti Credit and Leasing Limited("Target Company" or "KWALITY") to acquire from them upto 8,44,541 equity shares of Rs. 10/- each representing 20% of the equity and voting share capital of KWALITY @ Rs. 8.25 per fully paid-up equity share.

I/We refer to the Letter of Offer dated 12.04.2017 for acquiring the equity shares held by us in Kwaliti Credit and Leasing Limited

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

SHARES IN PHYSICAL FORM

I/We accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Ledger Folio No.	Certificate No(s).	Distinctive No(s).	No. of shares
Total number of equity shares				

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers give the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

SHARES IN DEMATERIALIZED FORM

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

DP Name	DP ID	Client ID	No. of Shares	ISIN No.
Total number of shares				

I/We have done an off market transaction for crediting the Shares to the special account opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.

I/We note and understand that the Shares would reside in the depository account opened for the purpose of this Offer until the time the Acquirers accepts the Shares and makes the payment of purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the equity shares of Kwaliti Credit and Leasing 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 to accept the shares so offered which they 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 to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.

I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the draft/cheque/warrant, 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 mentioned below.

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers 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 are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,

Signed and Delivered

	Full Names (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.

Place:

Date:

Bank Details

So as to avoid fraudulent encashment in transit, and also to enable payment through ECS the shareholder(s) may, at their option, provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

I/we permit the Acquirers or the Manager to the Offer to make the payment of Consideration through Electronic Clearing Service (ECS) of the Reserve Bank of India based on the Bank Account Details provided below and a photo copy of cheque is enclosed.

Savings/Current/(Others; please specify) : _____

Name of the Bank Branch: _____

Account Number: _____ IFSC Code of Bank-----

Tear along this line -----

Acknowledgement slip

Ledger Folio No. _____ DP ID _____ Client ID _____

Received from _____ an application for sale of _____ Equity Share(s) of Kwaliti Credit and Leasing Limited together with _____ share certificate(s) bearing Certificate Numbers _____ and _____ transfer deed(s)/ photocopy of "Off-market" delivery instruction duly acknowledged by the DP.

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

Date of receipt

Signature of the official

**FORM OF WITHDRAWAL
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

From:
Name:
Address:

OFFER	
Opens on	April 24,2017
Closes on	May 13,2017
Last date of Withdrawal	May 09,2017

Tel. No.
Fax No.
E-mail:

To,
**M/s. CB Management Services (P) Ltd.,
P-22, Bondal Road
Kolkata – 700 019** Dear Sir,

Subject: Open Offer by Mr. Dharmendra Kothari, Mrs. Sunita Kothari, Mrs. Ichraj Devi Kothari and Mr Rajesh Kothari residing at 10, Canning Street, 3rd Floor, Kolkata -700 001, West Bengal, India and Mr. Hemant Kothari residing at 220/2, Panditiya Road, Extention Kolkata - 700029, West Bengal, India. (hereinafter referred to as "The ACQUIRERS") to the shareholders of Kwality Credit and Leasing Limited("Target Company" or "KWALITY") to acquire from them upto 8,44,541 equity shares of Rs. 10/- each representing 20% of the equity and voting share capital of KWALITY @ Rs. 8.25 per fully paid-up equity share.

We refer to the Letter of Offer dated 12.04.2017 for acquiring the equity shares held by me/us in Kwality Credit and Leasing Limited

We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/We further authorize the Acquirers to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

We note that upon withdrawal of my/our shares from the Offer, no claim or liability shall lie against the Acquirers /Manager to the Offer/ Registrar to the Offer.

We note that this Form of Withdrawal should reach the Registrar to the Offer before the last date of withdrawal i.e 09.05.2017. We note that the Acquirers / Manager to the Offer/ Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialized form in the DP Account due to inaccurate / incomplete particulars / instructions.

We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the depositories from time to time.

SHARE HELD IN PHYSICAL FORM

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger folio No.	Certificate No.	Distinctive No.		No. of Shares
			From	To	
Total number of shares					

SHARES HELD IN DEMAT FORM

We have tendered the shares in the offer which was done in an off market transaction for crediting the shares to the "KCCL Open Offer – Escrow DP Account." as per the following particulars:

DP ID : 12034500
DP Name : Ashika Stock Broking Limited
Client ID : 00773545

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our shares have been tendered are as detailed below:

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

I/We note that the shares will be credited back only to that Depository Account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialised shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
Signed and Delivered

	Full Names (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holdings, all shareholders must sign. A corporate body must sign under its official name. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. Applicants are requested to clearly mark the envelope with the words "Kwality Credit and Leasing Limited Open Offer" while sending the documents to the registrar to the offer. All future correspondence, if any, should be sent to the registrar to the offer, **C B Management Services Private Limited** (unit: Kwality Credit and Leasing Limited), at their aforesaid address.

Place: _____ Date: _____

----- TEAR HERE -----
ACKNOWLEDGEMENT RECEIPT

Received Form of Withdrawal from Mr./ Mrs./Ms. -----
Folio No.-----DP ID ----- Client ID NO. -----Number of shares
tendered -----Number of share withdrawn -----

Stamp of Registrar

Signature of official

Date of Receipt

Form No. SH-4 Securities Transfer Form

[Pursuant to section 56 of the Companies act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of Execution (DD-MM-YYYY): _____

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfeto the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do here by agree to accept and hold the said securities subject to the conditions aforesaid.

Name of the Company: KWALITY CREDIT AND LEASING LIMITED
CIN of the Company: CIN: L65921WB1992PLC056686
Name of the Stock Exchange where the Company is listed, if any: BSE Ltd. and Calcutta Stock Exchange Ltd.

Description of Securities:			
Kind/Class of securities	Nominal value of each unit of security	Amount called up per unit of security	Amount paid up per unit of security
Equity Shares	Rs. 10/-		
No. of Securities being Transferred		Consideration Received (Rs.)	
In Figures	In Words	In Figures	In Words

Distinctive Number	From				
	To				
Corresponding Certificate No.					

Transferor's Particulars:		
Registered Folio Number		Attestation: I hereby attest the signature of the Transferor(s) herein mentioned.
Full Name of Seller	Seller's Signature	Signature: Full Name: Address: Seal:
1.		
2.		
3.		
I, hereby confirm that the Transferor has signed before me.	Name and Address of Witness	
Signature of Witness		

Transferee Particulars:	(1)	(2)	(3)
Full Name			
Father/Spouse Name			
Address			
Contact No.			
Email			
Occupation			
Existing Folio Number			
PAN			
Signature			

Folio No. of Transferee: _____

Specimen Signature of Transferee: _____

Value of Stamp affixed: Rs. _____

Enclosures:

- (1) Certificate of equity shares or debentures or other securities
- (2) If no certificate is issued, letter of allotment.
- (3) Copy of PAN CARD of all the Transferees (For all listed Cos).
- (4) Other, Specify.....

Stamps:

For Office use only:

Checked by _____ Signature tallied by _____

Entered in the Register of Transfer on _____ vide Transfer No. _____

Approval Date _____ Power of Attorney/Probate/Death Certificate/Letter of Administration registered on _____ at Number (No.) _____