

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder(s) of VELOX INDUSTRIES LIMITED. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager or 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 to the Member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER ("OFFER")

Pursuant to Regulations 3 (1) and 4 and applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.

TO THE SHAREHOLDERS OF VELOX INDUSTRIES LIMITED (FORMERLY KNOWN AS KHATAU EXIM LIMITED)
(Hereinafter referred as "VIL" or "the Target Company" or "TC" or "the Company")
(CIN: L15122MH1983PLC029364)

Having the Registered Office at the Submit Business Bay, 102-103, Level-1 Service Road, Western Express Highway, Ville Parle East, Mumbai- 400052, Maharashtra, India; Phone No. +91 9509709474; Email: veloxindustriesltd@gmail.com; Website: www.veloxindustriesltd.in

BY

APPU FINANCIAL SERVICES LIMITED, (PAN: AACCA1215G), was incorporated under the Companies Act, 1956 as a Public Company incorporated on February 25, 1994 under the laws of India bearing (Corporate Identification Number (CIN): U67120WB1994PLC061951). Its registered office is situated at 1/1A Upper Wood Street Kolkata, West Bengal 700017, India; Tel. No. 03322814418; Email Id: appufinancial@gmail.com. The Corporate Office of the company is located at 15/9 Ambika Niwas, Mirashi Nagar, Kanjur Village East Bhandup, Maharashtra – 400042; Tel. No/ Mobile no.: +91 9833043030; Email Id: appufinancial@gmail.com (Hereinafter referred to as "the Acquirer")

TO ACQUIRE

Up to **20,53,150 (Twenty Lakhs Fifty-Three Thousand One Hundred Fifty) Equity shares of Rs. 10/- each representing 25.75% (Twenty-Five point Seventy-Five Percent) * of the Emerging Voting Equity Share Capital of the Target company on a fully diluted basis, as of the tenth working day from the closure of the tendering period of the open offer ("Voting Share Capital")**, from the eligible shareholders of the Target Company of Rs. 10/- each at a price of Rs. 10.00/- per share ("Offer Price").

**An open offer in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, is required to be given for at least 26.00% (Twenty-Six Percent) of the Emerging Voting Equity Share Capital of the Target company, i.e. for 20,73,240 Equity Shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee's also), as on date of this LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company and since the Investors (also a proposed preferential Allottee and proposed public shareholders) other than the Acquirer (also a proposed preferential Allottee and proposed promoter) do not intend participating in the open offer, the Open Offer is being made for 1,78,150 equity shares i.e. 2.23% Emerging Voting Equity Share Capital of the Target Company.*

Please Note

1. This Offer is being made pursuant to the Regulation 3(1) and 4, of the SEBI (SAST) Regulations, 2011 and subsequent amendments thereof for substantial acquisition of shares / voting rights accompanied with change in control.
2. There is no Person(s) Acting in Concert (PAC) with the Acquirer for the purpose of this Offer.
3. This Offer is not conditional upon any minimum level of acceptance by the shareholders of the Target Company.
4. To the best of the knowledge of the Acquirer, as on the date of this Letter of Offer ("Letter of Offer" or "LOF"), there are no statutory or other approval(s) required to acquire the Offer Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transaction (as defined below), save and except as set out in paragraph 7.7 (Statutory and other Approvals) of this LOF. However, if any statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained. Where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
5. This offer is not a competing offer.
6. There has been no competing offer or revision of Offer Price as on date of Letter of Offer.
7. Shareholders who have tendered shares in acceptance of the Open Offer by tendering the requisite documents, in terms of the Public Announcement / Detailed Public Statement/Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.
8. The Procedure for acceptance is set out in Para 8 of this LOF. A Form of Acceptance is enclosed with this LOF.
9. If there is any upward revision in the Offer Price by the Acquirer at any time prior to commencement of the last one working day before the commencement of the tendering period viz., **October 18, 2022, Tuesday** you will be informed by way of another Announcement in the same newspapers in which the detailed Public Statement pursuant to Public Announcement was published. Acquirer shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two working days by an Announcement in the same newspapers in which the Detailed Public Statement was appeared.
10. A copy of the Public Announcement, Detailed Public Statement and the Draft Letter of Offer (including Form of Acceptance-cum-Acknowledgement) would also be available on SEBI's Website: www.sebi.gov.in
11. All correspondence relating to this Offer, if any, should be addressed to the Registrar to the Offer, viz. Skyline Financial Services Private Limited.

MANAGER TO THE OFFER



First Overseas Capital Limited
Your growth partner

FIRST OVERSEAS CAPITAL LIMITED

1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001

Tel. No.: +91 22 40509999

Email: rushabh@focl.in/ mala@focl.in

Investor Grievance Email: investorcomplaints@focl.in

Website: www.focl.in

Contact Person: Mr. Rushabh Shroff/ Ms. Mala Soneji

SEBI Registration No.: INM000003671

REGISTRAR TO THE OFFER



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D-153 A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi-1100200, India

Tel. No.: +91 11 40450193-97

E-mail ID: dmin@skylinerta.com

Investor Grievance Email: compliances@skylinerta.com

Website: www.skylinerta.com

Contact Person: Ms. Rati Gupta

SEBI Registration No.: INR000003241

OFFER OPENS ON: OCTOBER 19, 2022, WEDNESDAY

OFFER CLOSING ON: NOVEMBER 04, 2022, FRIDAY

(This page is intentionally left blank)

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Activity	Date and Day #	Revised 0Date and Day#
Public Announcement (PA)	June 29, 2022, Wednesday	June 29, 2022, Wednesday
Publication of DPS in the newspapers	July 06, 2022, Wednesday	July 06, 2022, Wednesday
Filing of the Draft Letter of Offer with SEBI	July 13, 2022, Wednesday	July 13, 2022, Wednesday
Last date for a Competitive bid	July 27, 2022, Wednesday	July 27, 2022, Wednesday
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	August 03, 2022, Wednesday	September 30, 2022, Friday
Identified Date*	August 05, 2022, Friday	October 04, 2022, Tuesday
Letter of Offer to be dispatched to shareholders	August 17, 2022, Wednesday	October 12, 2022, Wednesday
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	August 19, 2022, Friday	October 17, 2022, Monday
Last date for revising the Offer price/ number of shares	August 23, 2022, Tuesday	October 18, 2022, Tuesday
Date of publication of Offer Opening Public Announcement	August 23, 2022, Tuesday	October 18, 2022, Tuesday
Date of commencement of Tendering Period (Offer Opening Date)	August 24, 2022, Wednesday	October 19, 2022, Wednesday
Date of Expiry of Tendering Period (Offer Closing Date)	September 07, 2022, Wednesday	November 04, 2022, Friday
Last Date for completion of all requirements including payment of consideration	September 28, 2022, Wednesday	November 21, 2022, Monday

The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations and are subject to receipt of statutory/regulatory approvals and may have to be revised accordingly.

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

RISK FACTORS RELATING TO THE UNDERLYING TRANSACTION, THE PROPOSED OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER

A. RELATING TO THE OFFER

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

- 1) To the best of knowledge of the Acquirer, no statutory approvals are required except for as mentioned in paragraph 7.7 of this LOF. However, it will be subject to all statutory approvals that may become applicable at a later date.
- 2) The Open Offer has been triggered upon the execution of SPA dated June 29, 2022 by Acquirer with the Outgoing Promoter of the Target Company and is made pursuant to the proposed Preferential Allotment of Equity Shares to the Acquirer which is subject to the approval of shareholders of the Target Company as per the provisions of Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Board of Director Meeting held on June 29, 2022 have approved the proposed Preferential Allotment of 1,25,00,000 (One Crore Twenty-Five Lakhs Only) Equity Shares of Rs. 10/- (Ten) each for cash at par aggregating upto INR 12,50,00,000/- (Indian Rupees Twelve Crores and Fifty Lakhs Only) on preferential basis through private placement the ("Issue") to Acquirer (Proposed Promoter) and Investors (proposed public shareholders). The Investors (proposed public shareholders) other than the Acquirer (also a proposed preferential Allottee and proposed promoter) do not intend participating in the open offer. However, the Board of Directors at their meeting held on August 26, 2022, has approved the Preferential Allotment of 76,25,000 (Seventy Lakhs Twenty-Five Thousand Only) Equity Shares of Rs. 10/- (Ten) each for cash at par aggregating upto INR /-7,62,50,000 (Indian Rupees Seven Crores Sixty-Two Lakhs and Fifty Thousand Only). The Acquirer (Proposed Promoter) shall be allotted 57,50,000 equity shares and Investors (proposed public shareholders) shall be allotted 18,75,000 equity shares on the on preferential basis. Further, The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23 (1) (a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.
- 3) The open offer size (in terms of number of shares) is based on the Emerging Voting share capital of the Target Company, i.e. 79,74,000 Equity Shares as of the 10th working day from the closure of the tendering period. Hence, the open offer size (in terms of number of %) is 26% of the 79,74,000 Equity Shares shall be 29,73,240 equity shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee's also), as on date of this LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company.
- 4) Further, since the Investors (proposed public shareholders) other than the Acquirer (also a proposed preferential Allottee and proposed promoter) do not intend participating in the open offer, the holding of the Acquirer post completion of the open offer and assuming full acceptance, shall be 60,99,000 equity shares, i.e. 76.49 % of the Emerging Voting share capital of the Target Company. In the event that (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a "stay" of the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, and then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of VIL whose Shares has been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders for the delay, as may be specified by SEBI.
- 5) In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer, in the event (a) any statutory or other approvals specified in paragraph 7.7 of this LOF or those which become applicable prior to completion of the Open Offer are finally refused and/or (b) any of the conditions precedent under the SPA as specified in paragraphs 3.1.7 and 3.1.8 of this LOF are not met for reasons outside the reasonable control of the Acquirer. In the event of

such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

- 6) Shareholders should note that Equity Shares once tendered in the Offer with or without “Form of Acceptance-cum-Acknowledgement” (“FOA”) in the Offer, such shareholders will not be entitled to withdraw such acceptances, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. The acquisition of Open Offer Shares tendered in the Offer by NRIs and OCBs is subject to receipt of approval from RBI. NRIs and OCBs tendering Equity Shares in the Offer must obtain all requisite approvals required to tender the Equity Shares held by them, in this Offer (including without limitation the approval from RBI, since the Shares validly tendered in this Offer will be acquired by non-resident entities) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (FOA).
- 7) The tendered shares and documents would be held by the Clearing Corporation/ Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed. Once tendered, the Public Shareholders will not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer and the Acquirer makes no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.
- 8) This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of this Letter of Offer (“LOF”) resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. The Offer is not directed towards any person or entity in any jurisdiction or country where the Offer would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.
- 9) The Public Shareholders are advised to consult their respective legal and tax advisors for assessing the tax liability pursuant to the Offer, or in respect of other aspects, such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer does not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.

B. RELATING TO THE ACQUIRER

- 1) The Acquirer intends to acquire up to 20,53,150 (Twenty Lakhs Fifty-Three Thousand One Hundred and Fifty) Equity Shares representing 25.75% (Twenty-Five point Seventy Five Percent) * of the Emerging Voting Share Capital of the Target Company at a price of Rs. 10/- (Rupees Ten Only) per equity share, payable in cash under the SEBI (SAST) Regulations.
*An open offer in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, is required to be given for at least 26.00% (Twenty-Six Percent) of the of the Emerging Voting Equity Share Capital of the Target company, i.e. for 20,73,240 Equity Shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee’s also), as on date of this LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company.
- 2) The Acquirer makes no assurance with respect to the market price of the shares during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.
- 3) The Acquirer makes no assurance with respect to the financial performance of the Target Company and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
- 4) Upon completion of this Open Offer and assuming full acceptance, the Acquirer will hold 60,99,000 Equity Shares representing 76.49% of Emerging Voting Equity Share Capital of the Target Company. Thus, pursuant to this Offer, the public shareholding in the Target Company will be decreased from the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**LODR Regulations**”), the Acquirer undertakes that it will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of Securities Contracts (Regulation) Rules, 1957 as amended, the Listing Agreement or corresponding provisions of the LODR Regulations and the Regulation 7(4) and 7(5) of the Takeover Regulations.
- 5) The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company. Any person placing reliance on any other source of information will be doing so at his/ her/ its own risk.
- 6) The information contained in this LOF is as of the date of this LOF unless expressly stated otherwise. The Acquirer and the Manager to the Offer are under no obligation to update the information contained herein at any time after the date of this LOF.
- 7) The Acquirer, the Manager or the Registrar to the Offer accept any responsibility for any loss of documents during transit (including but not limited to Open Offer acceptance forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 8) The Acquirer and the Manager to the Offer make no assurance with respect to the future performance of the Target Company. The Public Shareholders should not be guided by the past performance of the Acquirer or any of their group companies while arriving at their decision to participate in the Open Offer. The Acquirer and the Manager to the Offer disclaim any responsibility with respect to any decision of Public Shareholders on whether to participate in the Open Offer or not.
- 9) For the purpose of disclosures in the LOF, all information relating to the Target Company has been obtained from publicly available sources or provided by the Target Company. The accuracy of such details of the Target Company has not been independently verified by the Acquirer and the Manager.
- 10) The Acquirer makes no assurance with respect to their investment/ disinvestment decisions relating to their proposed shareholding in the Target Company.

NOTICE TO SHAREHOLDERS IN OTHER COUNTRIES

This LOF does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LOF are requested to inform themselves about and to observe any such restrictions.

The Open Offer described in this LOF is not being made to, nor will tenders of shares be accepted from or on behalf of Public Shareholders in any jurisdiction in which such offer or invitation is not in compliance with applicable law or to any person to whom it

is unlawful to make such offer or solicitation. Potential users of the information contained in this LOF are requested to inform themselves about and to observe any such restrictions.

NOTICE TO SHAREHOLDERS IN UNITED STATES

In addition to the above, please note that the Open Offer is being made for acquisition of securities of an Indian company and Public Shareholders in the U.S. should be aware that this LOF and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in this LOF or in any other documents relating to the Open Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "₹"/"Rs."/"Rupees"/"INR" are to the reference of Indian National Rupees ("INR"). Throughout this Letter of Offer, all figures have been expressed in "Lacs" unless otherwise specifically stated. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

Table of Contents

1.	DEFINITIONS	7
2.	DISCLAIMER CLAUSE	10
3.	DETAILS OF THE OFFER	10
4.	BACKGROUND OF THE ACQUIRER.....	13
5.	BACKGROUND OF THE TARGET COMPANY	15
6.	OFFER PRICE AND FINANCIAL ARRANGEMENTS	18
7.	TERMS AND CONDITIONS OF THE OFFER.....	20
8.	PROCEDURE FOR ACCEPTANCE AND SETTLEMENT	21
9.	DOCUMENTS FOR INSPECTION	24
10.	DECLARATION BY THE ACQUIRER.....	25

1. DEFINITIONS

TERM	DESCRIPTION
Acceptance Date	The date on which bids /Equity Shares tendered in the Offer shall be accepted post verification
Acquirer/ AFSL	Appu Financial Services Limited, a company registered under Companies Act, 1956 having its registered office at 1/1A Upper Wood Street Kolkata, West Bengal 700017, India
AOA	Articles of Association
Board/BOD/Board of Directors	The Board of Directors of Target Company
Book Value per Share	Net Worth/Number of Equity Shares issued and outstanding
BSE	BSE Limited
Buying Broker / Member	NNM Securities Private Limited having its registered office at B 6/7, Shri Siddhivinayak Plaza, 2 nd Floor, Plot No. B-31, Oshiwara, Opp. Citi Mall, Behind Maruti Showroom, Andheri Linking Road, Andheri (West), Mumbai - 400053, i.e. the broker appointed by the Acquirer for this Offer through whom the purchases and settlement of the Offer Shares tendered under the Offer shall be made.
CDSL	Central Depository Services (India) Limited
CKYC	Central Know your Client
CIN	Corporate Identity Number
Companies Act, 1956	The Companies Act, 1956, and subsequent amendments thereto
Companies Act, 2013	The Companies Act, 2013, and subsequent amendments thereto
Date of Closure of Offer/Date of closure of the Tendering Period	November 04, 2022, Friday
Date of Opening of Offer/ Date of opening of the Tendering Period	October 19, 2022, Wednesday
Depositories	NSDL and CDSL
Designated Stock Exchange/DSE/SE	BSE Limited
Detailed Public Statement or DPS	Announcement of this Offer published on behalf of the Acquirer to the Shareholders of the Target Company which was published on Wednesday, July 06, 2022 in all editions of Financial Express (English), all edition of Jansatta (Hindi), Mumbai edition of Pratahkal, being a local language daily with wide circulation at Mumbai (Marathi) (being the place where BSE is situated and being the place where the Registered Office of the Target Company is situated), Kolkata edition of Arthik Lipi (Bengali), being a local language daily with wide circulation at Kolkata (being the place where the Registered Office of the Acquirer is situated).
Depository Participants/ DP	A Depository Participant as defined under the Depositories Act, 1996 as amended from time to time
DIN	Director Identification Number
DIS	Delivery Instruction Slip
Draft Letter of Offer/ DLOO/ DLOF/ DLoF	Draft Letter of Offer dated July 13, 2022 submitted to SEBI for its observations
ECS	Electronic Clearing Services
EGM	Extra Ordinary General Meeting
Eligible Person(s) for the Offer	All owners (registered or unregistered) of shares of the Target Company (other than Acquirer) at any time before closure of the Offer.
Eligible Shareholders	All Equity Shareholders other than the Acquirer and the Promoters and/or Promoter Group of the Target Company
Emerging Voting Equity Share Capital	79,74,000 Equity Shares of Face Value of Rs. 10.00 each aggregating to Rs. 7,97,40,000 being the total equity paid up capital of the Target Company as of the 10 th working day from the closure of the tendering period
EPS	Earnings Per Share which is Profit After Tax / No. of Equity Shares.
Escrow Account	A cash escrow account opened by the Acquirer in the name and style of "APPU FINANCIAL SERVICES LIMITED OPEN OFFER- ESCROW ACCOUNT" bearing number 000405135220 with the Escrow Bank i.e. ICICI Bank Limited, irrevocably and unconditionally empowering the Manager to the Offer to act in compliance with the SEBI (SAST) Regulations.
Escrow Agreement	The Escrow Agreement dated June 29, 2022 entered into amongst the Acquirer, the Manager to the Offer and the Escrow Bank.
Escrow Amount	Rs. 3,34,07,400 (Indian Rupees Three Crores Thirty-Four Lakhs Seven Thousand Four Hundred Only), the Maximum Consideration payable under the Offer.
Escrow Bank/Escrow Agent	ICICI Bank Limited, having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara-390 007, Gujarat, India and through its branch situated at Capital Markets Division, 1 st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020, Maharashtra, India.
Equity Shares	Fully Paid-up Equity Shares of the Target Company of face value of Rs. 10/- (Rupees Ten only) each
Existing Promoters/ Promoter Group/ Promoter Group Members/ Members of the Promoter Group	M/s. Zeus Trading Enterprise PTE Ltd
Equity Shareholders	Equity Shareholders as defined under SEBI (SAST) Regulation, 2015 as all the equity shareholders of the Target Company (including the Non-Promoter and Non-Public shareholder of the Target Company), excluding the shareholders forming part of the promoter and promoter group of the Target Company
Existing Share & Voting Capital	Paid up share capital of the Target Company i.e. Rs. 34,90,000 divided into 3,49,000 Equity Shares of Rs. 10/- Each
FATCA	Foreign Account Tax Compliance Act
FC-TRS	Foreign Currency Transfer of Shares

TERM	DESCRIPTION
FEMA	Foreign Exchange Management Act, 1999 including related Rules, amendments and Regulations.
FEMA(TIFSR)	Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2017, as amended
FII	Foreign Institutional Investors
FI	Financial Institutions
Form of Acceptance or FOA	Form of Acceptance cum Acknowledgement.
FOCL/ Manager to the Offer/ MB/Merchant Banker	First Overseas Capital Limited, the Merchant Banker appointed by the Acquirer, pursuant to Regulation 12 of the SEBI (SAST) Regulations, having its Registered & Corporate office at 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Fort, Mumbai - 400 001, Maharashtra, India.
FOW / Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
FY	Financial Year ended on March 31
HUF	Hindu Undivided Family
ICCL	Indian Clearing Corporation Limited
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Identified Date	Date falling on the 10 th (tenth) Working Day prior to the commencement of the Tendering Period, i.e. October 04, 2022, Tuesday for the purpose of determining the Public Shareholders to whom the LOF shall be sent.
IFSC	Indian Financial System Code
IT Act/ Income Tax Act	The Income Tax Act, 1961, as amended
INR/Rs./₹	Indian Rupees
IPV	In Person Verification
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992 and/or 2015 and subsequent amendments thereof
ISIN	International Securities Identification Number
KRA	KYC Registration Agency
KYC	Know your Client
Listing Agreement	Listing agreement as entered by the Target Company with the BSE
Listing Regulations/LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
LLP	Limited Liability Partnership
LTCG	Long Term Capital Gains
LOF / Letter of Offer	Letter of Offer dated October 10, 2022
Manager to the Offer/ Merchant Banker	First Overseas Capital Limited or FOCL having its registered office at 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001, Maharashtra, India
Maximum Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is Rs. 2,05,31,500 (Indian Rupees Two Crores Five Lakhs Thirty One Thousand and Five Hundred Only)
Minimum Public Shareholding	25% (Twenty five per cent) public shareholding (Minimum Public Shareholding), as determined in accordance with Regulation 38 of the LODR Regulations read with Rule 19 and 19A of the SCRR.
MOA	Memorandum of Association of Target Company
MoU	Memorandum of Understanding
NAV	Net Asset Value/ Book Value per
N.A.	Not Applicable
Negotiated Price	Rs. 10/-(Rupees Ten Only) per fully paid-up Equity Share of face value of Rs. 10/- each.
NECS	National Electronic Clearance Service
NEFT	National Electronic Funds Transfer
Networth	Equity Capital + Free Reserve (excluding Revaluation Reserve) –Debit balance in Profit & Loss A/c – Misc. expenditure not written off.
NRI(s)	Non-Resident Indian as defined under Foreign Exchange Management (Deposit) Regulations, 2000 and subsequent amendments thereto
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/Open Offer/ The Offer	Cash Offer to acquire up to 20,53,150 (Twenty Lakhs Fifty-Three Thousand One Hundred and Fifty) Equity Shares representing 25.75% (Twenty-Five point Seventy Five Percent) *of the Emerging Voting Share Capital of the Target Company, to be acquired by the Acquirer, at a price of Rs. 10/- per Equity share payable in cash. *An open offer in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, is required to be given for at least 26.00% (Twenty-Six Percent) of the of the Emerging Voting Equity Share Capital of the Target company, i.e. for 20,73,240 Equity Shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee's also), as on date of this LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company.
Offer Period	Period commencing from July 29, 2022 (the date of the Public Announcement) till the date on which the payment of consideration to the Equity Shareholders who have accepted the Offer is made or the date on which Offer is withdrawn, as the case may be
Offer Price	Rs. 10.00/-(Rupees Ten Only) per fully paid up Share of Rs. 10/- each payable in cash.
Offer Shares/ Offer Size	Cash Offer being made by the Acquirer for acquisition of 20,53,150 (Twenty Lakhs Fifty-Three Thousand One Hundred and Fifty) Equity Shares to the public shareholders representing 25.75% of the voting capital of the Target Company

TERM	DESCRIPTION
Outgoing Promoter/Seller/Promoter	M/s Zeus Trading Enterprise PTE Ltd
OSV	Original Seen and Verified
PA/Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirer on June 29, 2022, Wednesday in accordance with the SAST Regulations and filed with SEBI, BSE and the Target Company
PAC/PACs	Person(s) Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Taxes
Persons eligible to participate in the Offer/ Shareholders	All owners (registered and unregistered) of Equity Shares of the Target Company except the Acquirer and Promoters and Promoter Group Members on or before the last date of tendering period is eligible to participate in the offer.
Preferential Allotment	Allotment of 76,25,000 (Seventy Six Lakhs Twenty-Five Thousand Only) equity shares of face value of Rs 10/- each to the Acquirer by way of preferential allotment, in terms of Section 62 read with Section 42 of the Companies Act, 2013 and subject to compliance with applicable provisions of SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2018
Post Preferential Paid Up Capital	Consisting of Rs. 7,97,40,000 (Indian Rupees Seven Crores Ninety Seven Lakhs and Forty Thousand Only) fully paid up Equity Shares of Rs 10/- each of the Target Company post allotment of shares and SPA of Equity Shares to Acquirer.
Pre Preferential Paid up Capital	Consisting of Rs. 34,90,000 (Indian Rupees Thirty Four Lakhs Ninety Thousand Only) fully paid up equity shares of Rs 10/- each of the target company as on the date of this Letter of Offer.
Promoter/ Promoter Group	Shareholders of the Target Company classified as Promoter/ Promoter Group as per disclosures made with BSE and under SEBI (SAST) Regulations, 2011 and under SEBI (LODR) Regulations, 2015.
Promoter Seller/ Outgoing Promoter/ Seller	The existing Promoter of the Target Company namely, Zeus Trading Enterprise PTE Ltd., that have entered into the SPA to sell its entire shares constituting 48.95% of the Pre-Issue Paid-up Equity Share Capital of the Target Company.
Proposed Promoter of the Target Company	Appu Financial Services Limited
Public Shareholders	All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the Acquirer, the existing promoter of the Target Company- being parties to the SPA (as defined below) including persons deemed to be acting in concert with such parties to SPA
RBI	Reserve Bank of India
Registrar to the Company	Alankit Assignments Limited having its registered office at 2E/21, Jhandewalan Extension, New Delhi-110055
Registrar or Registrar to the Offer	Skyline Financial Services Private Limited having its registered office at D-153 A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi- 1100200, India
RNW or Return on Net Worth	Profit After Tax/Net Worth
RTGS	Real Time Gross Settlement
RoC	Registrar of Companies, Mumbai
Sale Shares	Up to 1,70,850 (One Lakh Seventy Thousand Eight Hundred and Fifty)) Equity Shares which the Acquirer has agreed to acquire under the SPA (as defined below) from the Seller at a price not exceeding INR 10.00 (Indian Rupees Ten only).
SCRA	Securities Contract (Regulation) Act, 1956 and subsequent amendments thereto
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI (ICDR) Regulations, 2018	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time
SEBI (LODR) Regulations, 2015/ LODR	Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI (SAST) Regulations/ SEBI (SAST) Regulations, 2011/ the Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
SEBI Stock Exchange Mechanism Circular	SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by the SEBI, and as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated 9 December 2016 issued by the SEBI
Securities Transfer Form	Securities Transfer Form, which is annexed to the Letter of Offer.
Selling Broker	The respective stock brokers of the Public Shareholders through whom Equity Shares shall be tendered under this Offer
Seller	Zeus Trading Enterprise PTE Ltd
Shares	Equity shares of Rs. 10/- (Rupees Ten only) each of the Target Company
SPA	Share Purchase Agreement dated June 29, 2022 entered into between Acquirer the Outgoing Promoter/ Seller for acquisition of 1,70,850 (One Lakh Seventy Thousand Eight Hundred and Fifty) Equity Shares representing 48.95% of the Pre-Issue Paid-up Equity Share Capital of the Target Company.
STCG	Short Term Capital Gains
Stock Exchange/Stock Exchanges	Stock Exchanges where Equity Shares of the Target Company are listed. The Target Company is currently listed on BSE MCX.
STT	Securities Transaction Tax
Target Company/ Velox Industries Limited/ Velox	Velox Industries Limited (Formerly known as Khatau Exim Limited)
Tendering Period	Period commencing from October 19, 2022, Wednesday and closing on November 04, 2022, Friday (both days inclusive)

TERM	DESCRIPTION
TRC	Transaction Residence Certificate
TRS	Transaction Registration Slip
UCC	Unique Client Code
Underlying Transaction the acquisition of Sale Shares in terms of the SPA	Underlying Transaction The acquisition of Sale Shares in terms of the SPA
Tendering Period	As ascribed to it under Regulation 2(1)(za) of the SEBI (SAST) Regulations.
Voting Share Capital The total voting equity share capital of the Target Company on a fully	Voting Share Capital The total voting equity share capital of the Target Company on a fully
Working Days	A working day of SEBI as defined in the SEBI (SAST) Regulations

Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI Takeover Regulations.

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF VIL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE 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 ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER TO THE OFFER, FIRST OVERSEAS CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 13, 2022 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

General Disclaimer

These Offer Documents in connection with the Offer, have been prepared for the purposes of compliance with the provisions of applicable laws and regulations in India, including the SEBI Act and the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The delivery of Offer Documents, does not under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirer since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirer is under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this Letter of Offer and/or the Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them, and shall be construed by them as being sent for information purposes only. Accordingly, no such Public Shareholder may tender his/ her/ its Equity Shares in this Offer in such jurisdiction.

Persons in possession of the Offer Documents are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her, or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted, and agreed that he, she, or it is authorized under the provisions of any applicable local laws, rules, regulations, and statutes to participate in this Offer.

3. DETAILS OF THE OFFER

3.1 BACKGROUND OF THE OFFER

3.1.1 This mandatory offer (the “Offer” or “Open Offer”) is being made by the Acquirer to the equity shareholders of Velox Industries Limited (Target Company) in compliance with Regulations 3(1) of SEBI (SAST) Regulations. The mode of payment of consideration for acquisition of the Equity Shares by the Acquirer is “Cash”. The proposed Preferential Allotment is subject to approval from the Shareholders of the Target Company and BSE. Acquirer shall comply with the lock-in requirements as stipulated under Chapter V of the ICDR Regulations. In terms of regulation 22(2A) of the Takeover Regulations, the Equity Shares allotted pursuant to the proposed Preferential Allotment shall be transferred to the demat escrow account and released to the Acquirer only upon successful completion of Open Offer formalities. Acquirer shall not exercise any voting rights over such Equity Shares kept in the demat escrow account until and unless 100% of the consideration is deposited in escrow account.

3.1.2 This mandatory Offer is being made by the Acquirer in compliance with Regulation 3(1) and 4 of the Takeover Regulations. This Open Offer has been triggered upon the execution of SPA dated June 29, 2022 by Acquirer with the Outgoing Promoter of the Target Company and the proposed issue of 57,50,000 Equity Shares of the Target Company on a preferential basis to Acquirer, subject to shareholder and other relevant approvals. Consequent upon preferential issue and assuming full acceptance under the Offer, the post shareholding & voting rights of the Acquirer would come to 76.49% of the Emerging Voting Equity Share Capital. For details, please refer to paragraph 5.26 on page no. 17 of this LOF.

3.1.3 There is no person acting in concert (“PAC”) with the Acquirer within the meaning of Regulation 2 (1) (q) of SEBI (SAST) Regulations, 2011.

- 3.1.4 As on the date of the PA, DPS and LOF, the Acquirer does not hold any Equity Shares of the Target Company as defined in Regulation 2(1)(z) of the Takeover Regulations.
- 3.1.5 The main object of this acquisition is to acquire complete management control of the Target Company. The Acquirer will discontinue the existing line of business of the Target Company with the prior approval of shareholders. The Acquirer proposes to start a new line of business in the Target Company and accordingly change the objects and the name of the Company so that they may lawfully carry on the new business in the Target Company. The Acquirer proposes to pursue business in the field of logistics and to change the name of the Target Company, to align it with the proposed new line of business activity to be started in the Target Company. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 2013, Memorandum and Articles of Association of the Target Company and all applicable laws, rules and regulations, the Board of Directors of the Target Company will take appropriate business decisions from time to time in order to improve the performance of the Target Company. The Acquirer cannot ascertain the repercussions, if any, on the employees and locations of the business place of the Target Company. Further, the Acquirer reserves the right to modify the present structure of the business in a manner, which is useful to the larger interest of the shareholders. Any such change in the structure that may affect the larger interest of the shareholders will be done with prior approval of shareholders at a general body meeting of Target Company in accordance with regulation 25(2) of SEBI (SAST) Regulations, 2011 and in accordance with the laws applicable. The Acquirer may diversify, reorganize and/or streamline the business of Target Company for commercial reasons and operational efficiencies.
- 3.1.6 On June 29, 2022, the Acquirer has entered into Share Purchase Agreement (“SPA”) with Zeus Trading Enterprise PTE Ltd, (“Promoter”/ “Outgoing Promoter”/ “Seller”) for acquisition of 1,70,850 (One Lakh Seventy Thousand Eight Hundred and Fifty) Equity Shares representing 48.95% of the Existing Fully Paid up Equity Share Capital of the Target Company and 2.14% of the Emerging Voting Equity Share Capital of the Target Company subject to satisfaction of conditions mentioned in the SPA along with the control over the Target Company.
- 3.1.7 The salient features of the SPAs are as under:
- Acquirer has entered into Share Purchase Agreement (SPA) on June 29, 2022 with the Outgoing Promoter for the acquisition of an aggregate of 1,70,850 (One Lakh Seventy Thousand Eight Hundred and Fifty) Equity Shares representing 48.95% of the Existing Fully Paid-Up Equity Share Capital of the Target Company and 2.14% of the Emerging Voting Equity Share Capital of the Target Company, held by the Outgoing Promoter of the Target Company at a price of Rs. 10/- (Rupees Ten Only) per Equity Share (“**Negotiated Price**”). The Negotiated Price is payable by Acquirer to the Outgoing Promoter.
 - On Closing Date (as defined under SPA), the Outgoing Promoter shall cede its control over the Target Company and the Acquirer shall gain control over the Company and shall have a right to reconstitute the Board of Directors of the Target Company and appoint their own representative/Directors as Directors/Chairman of the Target Company.
 - The Sale Shares currently held by the outgoing promoter of the Target Company are in physical form and as per Regulation 31 of SEBI (LODR) Regulations, 2015, the promoters have to maintain their shareholding in demat mode only and hence the promoters are in non-compliance of Regulation 31 of SEBI (LODR) Regulations, 2015. The Seller hereby declares and confirms that the Sale Shares are under the process of dematerialization and the process shall be completed before the completion of the Open Offer period and shall comply with the provisions of regulation 31 of LODR regulation.
 - The Purchase Consideration/Acquisition Price shall be payable by the Acquirer to the Outgoing Promoter in cash.
 - Acquirer shall make an Open Offer in the manner required under the SEBI (SAST) Regulations and shall comply with all provisions of the SEBI (SAST) Regulations, as may be applicable.
 - The acquisition of the Equity Shares pursuant to the SPA by Acquirer will result in change in control of the Target Company. The Target Company being a listed entity, Acquirer shall be responsible for complying with the requirements of the SEBI (SAST) Regulations in relation to the offer to the other public shareholders.

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

- 3.1.8 Further, at the meeting of the Board of Directors of the Target Company held on June 29, 2022, the Board of Directors authorized to issue and allot on a preferential basis 57,50,000 Equity Shares (out of total 76,25,000 Equity Shares) of the Target Company to the Acquirer at a price of Rs. 10/- per Equity Share, subject to the shareholders and other relevant approvals. By virtue of the proposed Preferential Issue, the Acquirer has triggered the Open Offer as per Regulations 3(1) and 4 of the Takeover Regulations since the Acquirer would be triggering the threshold limit by crossing 25% of voting rights and holding in the Equity Shares. Currently, the Acquirer does not hold any Equity Shares and post proposed preferential issue and Open Offer, it will hold 60,99,000 Equity Shares (76.49% voting rights) of the Target Company. For details, please refer to paragraph 5.26 on page no. 17 of this LOF.
- 3.1.9 Pursuant to acquisition of the Equity Shares in terms of the SPA and by virtue of the proposed Preferential Issue, the Acquirer has triggered the Open Offer as per Regulation 3(1) of the SEBI (SAST) Regulations since the Acquirer would be triggering the limit by crossing 25% of equity shares in a financial year as currently Acquirer does not hold any Equity Shares and post the preferential issue it will hold 60,99,000 (76.49%), only if the shareholders’ approval is received. For details, please refer to paragraph 5.26 on page no. 17 of this LOF.
- 3.1.10 The Equity Shares to be issued under the proposed Preferential Issue will not have any voting rights until the completion of this Offer and would be held under a separate share escrow account (i.e. demat escrow) as required under the Takeover Regulations. On completion of this Offer, the Equity Shares proposed to be allotted under the Preferential Issue would be transferred from this share escrow account to the Acquirer.
- 3.1.11 The Acquirer has not acquired any equity shares/voting rights of the Target Company during the twelve (12) months period preceding the date of the Public Announcement.
- 3.1.12 The Manager to the Open Offer i.e. First Overseas Capital Limited (the Manager to the Offer) does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this LOF. The Manager to the Offer declares and undertakes that they shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.

- 3.1.13 Upon completion of this Offer and assuming full acceptance, the Acquirer will hold 60,99,000 Equity Shares representing 76.49% of total issued paid up capital of the Target Company. Thus, pursuant to this Offer, the public shareholding in the Target Company will be decreased from the minimum public shareholding required as per Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957 as amended and as per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“LODR Regulations”), the Acquirer undertakes that they will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of Securities Contracts (Regulation) Rules, 1957 as amended, the Listing Agreement or corresponding provisions of the LODR Regulations and the Regulation 7(4) and 7(5) of the Takeover Regulations. The Acquirer intends to change the name and the object clause as stated in the Memorandum of Association of the Company subject to necessary approvals to be obtained at the board and shareholder’s approval.
- 3.1.14 As per regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company will constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

3.2 DETAILS OF THE PROPOSED OFFER

- 3.2.1 The Acquirer has made a Detailed Public Statement pursuant to Public Announcement on July 06, 2022 Wednesday, in the following newspapers in accordance with the Regulation 14 (3) and pursuant to Regulation 3(1) and 4 of SEBI (SAST) Regulations.

Name of the Newspaper	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Pratahkal	Marathi	Mumbai
Arthik Lipi	Bengali	Kolkata

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

- 3.2.2 The Acquirer is making this Open Offer under the SEBI (SAST) Regulations, to acquire up to 20,53,150 (Twenty Lakhs Fifty-Three Thousand One Hundred and Fifty) Equity Shares of Rs. 10/- each representing upto 25.75%* of the Emerging Voting share capital of the Target Company from the Public Shareholders of Target Company on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 10.00/- per equity share payable in cash.
- *An open offer in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, is required to be given for at least 26.00% (Twenty-Six Percent) of the of the Emerging Voting Equity Share Capital of the Target company, i.e. for 20,73,240 Equity Shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee’s also), as on date of this LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company.*
- 3.2.3 There are no persons acting in concert (“PAC”) in this Offer within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations for the purpose of the Open Offer.
- 3.2.4 The Equity Shares of the Target Company will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 3.2.5 There are no partly paid up Shares in the Target Company and there are no convertible instruments, which are pending conversion.
- 3.2.6 The Offer is not subject to any minimum level of acceptances from the Shareholders i.e. it is not a conditional offer.
- 3.2.7 The Offer is not as a result of any exercise regarding global acquisition which culminates in the indirect acquisition of control over, or acquisition of equity shares or voting rights in, the Target Company.
- 3.2.8 The Acquirer have not acquired any Shares in the Target Company after the date of PA i.e. June 29, 2022, up to the date of Draft Letter of Offer.
- 3.2.9 The Offer is subject to the terms and conditions set out herein and the PA and the DPS made by the Acquirer from time to time in this regard.
- 3.2.10 No competitive bid has been received as on date of this LOF.

3.3 OBJECT OF THE OFFER:

- 3.3.1 This offer is being made pursuant to Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations 2011, as a result of a direct acquisition of Equity Shares and control over the Target Company by the Acquirer, pursuant to the SPA and consequent to the proposed preferential allotment of equity shares to take control over the target company as explained in paragraphs above is the reason and rationale for the acquisition/offer.
- 3.3.2 The Acquirer does not have intention to sell, dispose off or otherwise encumber any significant assets of Target Company and may also in the ordinary course of business of Target Company and future policy for disposal of assets, if any, for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirer undertakes that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required. The Acquirer may diversify, reorganize and/or streamline the business of Target Company for commercial reasons and operational efficiencies.
- 3.3.3 Upon completion of the Open Offer, and subject to compliance with Regulation 31A of the LODR Regulations, the Acquirer shall be inducted as the Promoter of the Target Company and they shall exercise control over the Target Company (This may be

read in conjunction with the disclosure made under Paragraph iii of Section III of this LOF pertaining to Shareholding and Acquisition Details).

3.3.4 The Outgoing Promoter of the Target Company has provided its intention as regards not continuing as the Promoter of the Target Company, post the completion of acquisition of Equity Shares by Acquirer under the SPA and has accordingly requested the Target Company that it be declassified as a Promoter post the completion of acquisition of its entire shareholding by Acquirer as contemplated under the SPA.

4. BACKGROUND OF THE ACQUIRER- APPU FINANCIAL SERVICES LIMITED (“AFSL”):

4.1 The details of the Acquirers as follows:

- a) Appu Financial Services Limited, (PAN No. AACCA1215G), was under the Companies Act, 1956 as a Public Company incorporated on February 25, 1994 under the laws of India bearing (Corporate Identification Number (CIN): U67120WB1994PLC061951). Its registered office is situated at 1/1A Upper Wood Street Kolkata, West Bengal 700017, India; Tel. No. 03322814418; Email Id: appufinancial@gmail.com. The Corporate Office of the company is located at 15/9 AmbikaNiwas, Mirashi Nagar, Kanjur Village East Bhandup, Maharashtra – 400042; Tel. No/Mob no. +91- 9833043030; Email Id: appufinancial@gmail.com.
- b) The persons in control/ promoters of the Acquirer along with their shareholding are mentioned below:

S. No.	Name of the Shareholders	No. of shares held	%
1.	Highlight Vintrade Private Limited (Promoter)	16,63,790	49.99
2.	Captain Marketing Private Limited (Promoter)	16,63,795	49.99

- c) The Acquirer is primarily engaged in of providing Financial Consultancy, Management, Consultants Brokers, Training, Dealers, Agents and carry the on business of share broking exchange broking and general brokers of shares, debentures, debentures stocks, bonds, units obligations securities, commodities, bullion currencies and to manage the funds of any persons or company by investment in various avenues like Growth Fund, Income Fund, Tax exemption Funds, Pension 7 Superannuation Funds, and to pass on the benefits of portfolio investment to the investors as dividends, bonus, interest etc. and to provide a complete range of personal financial Services like investment planning, estate planning, tax planning, portfolio management, consultancy/conselling services in various fields, general, administrative, commercial financial, legal, economic, labour, industrial, public relations, credit rating, scientific, technical, direct and indirect taxation and other levies statistical accountancy, quality control, data processing by acquiring/purchasing sophisticated, office machineries such as computers, tabulators, addressing machines and to do the credit card business and giving franchise rights to others for technical know how and trade name.

- d) The financial details of last three years is as follows-

(Amount in Rs.)				
STATEMENT OF ASSETS AND LIABILITIES	June 30, 2022 (Unaudited)	March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Sources of Funds				
Paid up Share Capital	3,32,76,100	3,32,76,100	3,32,76,100	3,32,76,100
Reserves and Surplus (excluding revaluation reserves)	13,57,72,693	13,57,73,319	13,57,68,849	13,57,68,522
Net Worth	16,90,48,793	16,90,49,419	16,90,44,949	16,90,44,622
Secured Loan	-	-	-	-
Unsecured Loan	-	-	-	-
Other Current Liabilities	95,77,125	21,000	12,000	2,000
Short Term Provision	-	1,570	115	227
Total	95,77,125	21,570	12,115	2,227
TOTAL SOURCE OF FUNDS	17,86,25,919	16,90,70,989	16,90,57,064	16,90,46,849
Use of Funds				
Net Fixed Assets	-	-	-	-
Investments	9,39,07,181	8,13,20,880	10,11,20,880	10,11,20,880
Cash and cash equivalents	1,17,361	1,12,361	2,38,882	2,45,542
Short-term loans and advances	84,60,1377	8,76,37,748	2,49,09,521	2,48,92,646
Trade Receivable	-	-	4,27,87,781	4,27,87,781
Miscellaneous Expenses not written off/ Preliminary Expenses	-	-	-	-
TOTAL	17,86,25,919	16,90,70,989	16,90,57,064	16,90,46,849
STATEMENT OF PROFITS AND LOSSES	June 30, 2022 (Unaudited)	March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Income from Operations	-	7,00,000	2,25,000	2,91,970
Other Income	-	-	-	-
Total Income	-	7,00,000	2,25,000	2,91,970
Total Expenditure (Excluding Depreciation and Interest)	2,66,125	6,93,960	2,24,558	2,91,098
Profit (Loss) before Depreciation, Interest & Tax	(2,66,125)	6,040	442	872
Depreciation	-	-	-	-
Interest	-	-	-	-
Profit / (Loss) before Tax	(2,66,125)	6,040	442	872

Provision for Tax	-	1,570	115	227
Profit /(Loss) after Tax	(2,66,125)	4,470	327	645
<u>OTHER FINANCIAL DATA</u>	June 30, 2022 (Unaudited)	March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Dividend (%)	-	-	-	-
Earnings Per Share in (in ₹) (Basic & Diluted)	0.00	0.00	0.00	0.00

- e) There has been no change in the name of acquirer during the last three Years.
f) Acquirer doesn't belong to any Group.
g) There are no persons acting in concert with the Acquirer for the purpose of this offer.
h) The Directors of the Acquirer are as follows:

Name	Designation	Experience in years and field	Date of Appointment
Mr. Mohd Shatib Shahabuddin Sayyed (DIN: 09268836) (PAN: DTNPS5252R)	Director	2 years	05/08/2021
Mr. Vivekanand Narayan Landge (DIN: 09263464) (PAN: AOGPL6503B)	Director	3 years	02/08/2021
Mr. Devarshi Divakar Phodkar (DIN: 09263703) (PAN: DHBPP3278N)	Director	2 years	02/08/2021

- i) As on the date of this LOF, the Acquirer is not holding any equity shares in the Target Company. Acquirer is deemed to be interested in the Target Company to the extent of the proposed acquisition of control over the Target Company. Except as stated above, Acquirer does not have any other interest in the Target Company.
j) The Acquirer does not have relationship with the Target Company or its Promoters, Directors and Key Managerial Personnel as on the date of this LOF.
k) The Networth of Appu Financial Services Limited (the Acquirer) as on March 31, 2022 is Rs. 16,90,49,419 (Rupees Sixteen Crores Ninety Lakhs Forty Nine Thousand Four Hundred and Nineteen Only) and the Acquirer has sufficient liquid funds to fulfill its monetary obligations under the Offer Chartered Accountant, Mr. Niranjan Jain (Membership No.: 047811), Proprietor of Niranjan Jain & Co, Chartered Accountants (FRN No: 313913W), having its Office at 307, 308, Shital Varsha Arade, Opp. Girish Cold Drinks, C.G.Road, Ahmedabad-380009, Gujarat; Ph: +91 (079) 26440427, 40075175; Email Id: niranjainco156@yahoo.co.in; has certified (UDIN: 22047811AMEWS17212), has certified, vide certificate dated June 25, 2022, that sufficient resources are available with the Acquirer for fulfilling its obligations under this Offer in full.

4.2 Declarations by the Acquirer

- The Acquirer is not holding any Equity Shares of the Target Company as on the date of this LOF. Therefore, the provisions of chapter V of the Takeover Regulations and subsequent amendments thereto, as applicable on the Acquirer have complied with to the extent applicable.
- The Equity Shares tendered in this Offer will be acquired by Acquirer.
- The Acquirer confirms that currently there are no pending litigations pertaining to securities market to which it has been made a party.
- The Acquirer has not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act (the “**SEBI Act**”).
- Acquirer has confirmed that they have not been categorized as a “Willful Defaulter” in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011 nor they are categorized as a “Fugitive Economic Offender” in terms of Regulation (1)(ja) of the SEBI (SAST) Regulations, 2011.
- The Acquirer has confirmed that it is not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.
- The Acquirer has not entered into any non-compete arrangement and/or agreement with the Target Company or its management.
- As on date of the LOF, the Acquirer is in compliance with Regulation 6A & Regulation 6B of the Takeover Regulations, 2011.
- The Acquirer has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement and its related conditions.
- The Acquirer has undertaken that if they acquire any equity shares of the Target Company during the Offer Period, they shall inform the Stock Exchanges where the equity shares of the Target Company are listed the Target Company and the Manager to the Offer within 24 hours of the acquisition in compliance with regulation 18(6) of the SEBI (SAST) Regulations. Further, he has also undertaken that they will not acquire any equity shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period and until the closure of the Tendering Period as per regulation 18(6) of the SEBI (SAST) Regulations.
- The Acquirer undertakes that they will not sell the equity shares of the Target Company, if any held by them during the Offer period in terms of regulation 25(4) of the SEBI (SAST) Regulations, 2011.
- The Acquirer is neither associated nor registered itself with SEBI or RBI as an Intermediary.

5. BACKGROUND OF THE TARGET COMPANY (The name of the Target Company reflecting with BSE is under the name of "Khatau Exim Limited" whereas in the MCA is reflecting under the name of "Velox Industries Limited").

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- 5.1 Velox Industries Limited (Target Company) was originally incorporated as Nirbhoy Exports Limited on February 21, 1983 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai. Subsequently, the name of the company was changed to Khatau Exim Limited and has obtained a fresh certificate of incorporation dated January 23, 1985. Further, pursuant to the Shareholders resolution passed through Postal Ballot, the name of the company was changed to 'Velox Industries Limited' and had obtained a fresh certificate of incorporation dated May 15, 2012 as issued by the Registrar of Companies, Mumbai. The CIN of the Target Company is L15122MH1983PLC029364 and the PAN AAACK2128C, under the Income Tax Act, 1961.
- 5.2 The registered office of the Target Company is situated at the Submit Business Bay, 102-103, Level-1 Service Road, Western Express Highway, Viley Parle East, Mumbai- 400052, Maharashtra, India; Tel No.: +91 9509709474; Email: veloxindustriesltd@gmail.com; Website: www.veloxindustriesltd.in.
- 5.3 In terms of the Main Objects clause of its Memorandum of Association, VIL is currently involved in the business of manufacturing, preserving, reigning, packing, bottling, prepare, manipulate, treat, market, import, export, Improve, produce, process, prepare, buy, sell, deal in and carry on the manufacturing and trading in foods and beverages like jams, jelly's, pickles, cider, chutney, marmalades, mayonnaise, mustard, desserts, coffee, tea, flavours, condiments, pancakes, doughnuts, vinegar's ketchup, saucer, juices, squashes, syrups, soups, powder (eatable), drinks, alcoholic and non-alcoholic, carbonated and non-carbonated, gelatines, essences, ice- creams, dairy products, meat, sausages, pottend product table delicacies, fast food, frozen foods and other eatables, bakery products and confectionery items such as breads, biscuits, sweets, roti, pizza, papad, cakes, pastries, cookies, wafers, candoles, lemon drops, chocolates, chewing gums, toffee, lozeoges, tinned, canned, bottled products, milk cream, butter, butter scotch, sauce, ghee, cheese. Condensed milk, milk powder, Skimmed milk food, baby good, infant foods, milk products end milk preparation, soya milk products and preparations, soyabean based foods, protein foods, dietic products, health foods, cereal products, wheat cafes, poultry products. farm products, milk shakes, water ice products, yoghurt, mouth freshener, carbon dioxide for beverages, menthol and menthol products and other related products and items.
- 5.4 As on the date of this LOF, the Target Company has an Authorized Equity Share Capital of Rs. 13,00,00,000/- (Rupees Thirteen Crore Only) comprising of 1,30,00,000 (One Crore Thirty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each. The Issued, Subscribed and paid up share capital of Target Company is Rs. 7,97,40,000 /- (Indian Rupees Seven Crores Ninety Seven Lakhs and Forty Thousand Only) Equity Shares of Rs.10/- each. For details please refer to paragraph 7.7.1
- 5.5 The ISIN of Velox Industries Limited is INE092P01017.
- 5.6 As on date, the Target Company does not have any partly paid-up equity shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. No shares are subject to any lock in obligations.
- 5.7 The entire present and paid up Equity Shares of the Target Company is currently listed on BSE Limited, Mumbai ("BSE"). The Equity Shares of the Target Company were listed on BSE w.e.f. May 09, 1984.
- 5.8 The Sale Shares currently held by the outgoing promoter of the Target Company are in physical form and as per Regulation 31 of SEBI (LODR) Regulations, 2015, the promoters have to maintain their shareholding in demat mode only and hence the promoters are in non-compliance of Regulation 31 of SEBI (LODR) Regulations, 2015. The Seller hereby declares and confirms that the Sale Shares are under the process of dematerialization and the process shall be completed before the completion of the Open Offer period and shall comply with the provisions of regulation 31 of LODR regulation.
- 5.9 The shares of the Target Company are listed on of BSE Limited ("BSE") having scrip code and id is 506178 and VELOXIND respectively.
- 5.10 The Equity Shares of Target Company are in-frequently traded on the BSE in terms of Regulation 2(1)(j) of the Takeover Regulations
- 5.11 The Target Company has complied with the requirements of the Listing Agreement with BSE and as on date no penal action has been initiated by the BSE.
- 5.12 The details of current Share Capital of Target Company are as follows:

Paid up Equity Shares of VIL	No. of Equity Shares/ Voting rights	% of Shares / voting rights *
Fully paid-up Equity Shares	79,74,000	100.00
Partly paid-up Equity Shares	Nil	Nil
Total Equity Shares	79,74,000	100.00
Total Voting Rights in the Target Company	79,74,000	100.00

*As a percentage of the Emerging Voting Equity Share Capital of the Target company of. For details please refer to paragraph 7.7.1

- 5.13 As on date of this LOF, the Board of Directors of VIL are as follows:

Name	Designation	Experience in years and field	Date of Appointment
Mrs. Rashi Diwan (DIN : 00906699) (PAN : AJOPD9766D)	Women Independent Director	More than 8 years	06/07/2017
Mr. Sanjiv Jain (DIN : 02011909) (PAN : AAPPJ9491B)	Chairman	More than 30 years	14/02/2012

Name	Designation	Experience in years and field	Date of Appointment
Mr. Vijay Kumar Bhutna (DIN : 02647742) (PAN : CMEPS6483F)	Managing Director	More than 25 years	29/09/2012
Mr. Prabhat Khurana (DIN : 03289193) (PAN : AHIPK9769P)	Independent Director	More than 15 years	15/12/2020

5.14 The present Promoter of the Target Company is Ms. Zeus Trading Enterprise Pte. Ltd.

5.15 There has been no merger, de-merger and spin off in the last three years in the Target Company.

5.16 Brief financial information of VIL for the financial year ended on March 31, 2020, 2021 and 2022 are given below:

STATEMENT OF ASSETS AND LIABILITIES

Particulars	(Rs. in Lakhs)		
	2021-22 (Audited)	2020-2021 (Audited)	2019-20 (Audited)
Sources of Funds			
Paid up Share Capital	34.9	34.9	34.9
Other Equity	(46.20)	(41.94)	(36.69)
Net Worth	(11.29)	(7.04)	(1.79)
Secured Loan (Non-Current liability)	-	-	-
Unsecured Loan ((Non-Current liability)	30	30	30
TOTAL	18.70	22.96	28.21
Total Source of Funds			
Application of Funds			
Net Fixed Assets	-	-	--
Investments (Non-Current)	0.44	0.44	0.44
Other Non-Current Assets	0.73	150.88	150.88
Total Current Assets	33.46	38.20	38.28
Total Current Liabilities	15.93	166.56	161.39
Net Current Assets	0.59	4.89	5.71
Miscellaneous Expenses not written off/ Preliminary Expenses	-	-	-
TOTAL	18.70	22.96	28.21

STATEMENT OF PROFITS AND LOSSES

Particulars	(Rs. in Lakhs)		
	2021-22 (Audited)	2020-2021 (Audited)	2019-20 (Audited)
Revenue from Operations	-	-	-
Other Income	-	-	-
Total Income	-	-	-
Total Expenditure (Excluding Depreciation and Interest)	4.21	5.15	6.67
Profit (Loss) before Depreciation, Interest & Tax	(4.21)	(5.15)	(6.67)
Depreciation	-	-	-
Interest	0.04	0.10	-
Profit / (Loss) before Tax	(4.25)	(5.25)	(6.67)
Tax Expenses	-	-	-
Profit /(Loss) after Tax	(4.25)	(5.25)	(6.67)

OTHER FINANCIAL DATA

Particulars	2021-22 (Audited)	2020-2021 (Audited)	2019-20 (Audited)
Dividend (%)	-	-	-
Earnings Per Share in (in ₹) (Basic & Diluted)	(1.22)	(1.50)	(1.91)
Return on Net worth (%)	(37.64)	(74.57)	(372.63)
Book Value Per Share (in ₹)	10	10	10

Contingent Liabilities-NIL

5.17 There has been no non-compliance made in relation to the applicable provisions of SEBI (SAST) Regulations, 2011 by the Promoters and Promoter Group and Target Company in last 10 years. SEBI may take appropriate action against the Promoters and Promoter Group for the non-compliance made if any in future.

5.18 The Compliance Officer of the Target Company is Mr. Abhay Sharma, who will be available at the registered office of the Company, Ph. No.: +91 798694470; Email Id.: veloxindustriesltd@gmail.com.

5.19 The Company is not a sick Company.

5.20 As on the date of this LOF, no equity shares of the Target Company under lock-in period.

5.21 The trading in Equity Shares of the Target Company have never been suspended on the stock exchange.

5.22 As on the date of this LOF, there is no subsidiary or holding company of the Target Company.

5.23 As on the date of this LOF, the Target Company has not declared any dividend in the last 5 years.

5.24 As on the date of the PA, DPS and LOF, the Target Company confirms that neither the Target Company nor its Directors and/or Key Managerial Personnel's:

- Have been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other Regulations made under the SEBI Act.
- Have been declared as a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018;
- Neither them nor any of the entities with which they are associated are in Securities related business and registered with SEBI as a Market Intermediary;
- None of the them have been categorized as a "willful defaulter" in terms of Regulation 2(1)(ze) of the Takeover Regulations, as amended from time to time.

5.25 Status of corporate governance compliances by VIL-The Corporate Governance clauses as enumerated in Regulation 17 to 27 in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to Target Company.

5.26 Pre- and Post-Offer shareholding pattern of the VIL is as per the following table:

Sr. No.	Share Holders Category	Shareholding/voting rights prior to the SPA/ acquisition and Offer (A)		Shares/ Voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations (B)		Shares/ Voting rights to be acquired in this open offer (Assuming full Acceptance) (C)		Shareholding after the acquisition and offer i.e. (A)+(B)+(C)=(D)	
		No.	% ##	No.	% #	No.	% #	No.	% #
1.	Promoter & Promoter Group &/or Acquirer								
a)	Party to the SPA								
	Outgoing Promoter/ Seller: Ms. Zeus Trading Enterprise Pte. Ltd.	1,70,850	48.95	(1,70,850)	(2.14)	-	-	-	-
b)	Promoters other than (a) above								
	None	-	-	-	-	-	-	-	-
	Total 1 (a+b)	1,70,850	48.95	(1,70,850)	(2.14)	-	-	-	-
2.	Acquirer & PACs								
a)	Acquirer-(Proposed Promoter)- Appu Financial Services Ltd								
i.	Shares acquired through SPA	-	-	1,70,850	2.14				
ii.	Shares to be allotted by way of Preferential issue	-	-	57,50,000	72.11	-	-	59,20,850	74.25
iii.	Shares to be acquired by way of open offer	-	-	-	-	1,78,150 **	2.23 **	1,78,150	2.23
b)	PACs- None	-	-	-	-	-	-	-	-
	TOTAL (2a+2b)	-	-	59,20,850	74.25	1,78,150 **	2.23 **	60,99,000 **	76.49**
3.	Parties to the SPA other than 1(a) and 2								
4.	Public (other than Parties to Agreement and Acquirer)								

Sr. No.	Share Holders Category	Shareholding/voting rights prior to the SPA/ acquisition and Offer (A)		Shares/ Voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations (B)		Shares/ Voting rights to be acquired in this open offer (Assuming full Acceptance) (C)		Shareholding after the acquisition and offer i.e. (A)+(B)+(C)=(D)	
		No.	% ##	No.	% #	No.	% #	No.	% #
	a) FIs/MFs/FIIs/ Banks/SFI	-	-	-	-	(1,78,150) **	(2.23) **	18,75,000	23.51
	b) Others	1,78,150	51.05	18,75,000 *	23.51				
	TOTAL (4)	1,78,150	51.05	18,75,000 *	23.51				
5.	GRANT TOTAL (1+2+3+4)	3,49,000	100.00	76,25,000	95.62	-	-	79,74,000	100.00

As a percentage of the Existing Fully Paid Up Equity Share Capital of the Target Company.

#As a percentage of the Emerging Voting Equity Share Capital of the Target Company.

*The Investors (public shareholders who are proposed preferential Allottees also) other than the Acquirer (also a proposed preferential Allottee and proposed promoter) do not intend participating in the Open Offer.

** The open offer size (in terms of number of shares) is based on the Emerging Voting share capital of the Target Company, i.e. 79,74,000 Equity Shares as of the 10th working day from the closure of the tendering period. Hence, the open offer size (in terms of number of %) is 26% of the 79,74,000 Equity Shares shall be 29,73, 240 equity shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee's also), as on date of this LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company and since the Investors (also a proposed preferential Allottee and proposed public shareholders) other than the Acquirer (also a proposed preferential Allottee and proposed promoter) do not intend participating in the open offer, the Open Offer is being made for 1,78,150 equity shares i.e. 2.23% Emerging Voting Equity Share Capital of the Target Company.

Further, the holding of the Acquirer post completion of the open offer and assuming full acceptance, shall be 60,99,000 equity shares, i.e. 76.49 % of the Emerging Voting share capital of the Target Company.

Note:

- The actual Post-Offer Shareholding of Public would depend on the response and acceptance of the shareholders to this Open Offer.
- The proposed Preferential Issue of the Target Company comprises of 76,25,000 Equity Shares at an issue price of Rs. 10. Out of this, the Acquirer (Proposed Promoter) shall be allotted 57,50,000 equity shares and Investors (proposed public shareholders) shall be allotted 18,75,000 equity shares on the on preferential basis aggregating to 72.11% and 23.51% respectively of the Emerging Voting Share Capital of the Target Company.
- The number of Shareholders in VIL in public category is 42 as on date of March 31, 2022.
- Pursuant to the completion of acquisition of its entire shareholding by Acquirer as contemplated under the SPA dated June 29, 2022, the Acquirer shall be classified and will become the Promoter of the Target Company and the Outgoing Promoter/ Seller shall be declassified as the 'Promoter' of the Target Company, subject to receipt of necessary approvals required in terms of Regulation 31A of the SEBI (LODR) Regulations and the satisfaction of conditions prescribed therein. Further, pursuant to completion of this Open Offer, if the shareholding of the public shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the SCRR read with the SEBI (LODR) Regulations, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, within the prescribed time, and in a manner acceptable to the Acquirer.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1 The Equity Shares of Target Company are currently listed and traded on and on BSE Limited ("BSE") with symbol as "VELOXIND" Scrip code: 506178.

6.1.2 The equity shares of the Target Company are in-frequently traded within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations on BSE.

6.1.3 The annualized trading turnover of the Equity Shares of the Target Company on the BSE, based on trading volume during twelve calendar months preceding the month of PA (June, 2021 to May, 2022) is given below:

Name of the Stock Exchange	Total number of Equity Shares traded during twelve calendar months preceding the month of PA (A)	Total Number of listed Equity Shares during preceding 12 months prior to the month of PA (B)	Annualized Trading Turnover (in terms of % to Total Listed Equity Shares) (A/B)*100
BSE Limited	3*	3,49,000	0.00%

*(Source: BSE Limited)

6.1.4 The Offer Price of Rs.10.00/- Equity Share is justified, in terms of Regulation 8(2) (e) of the SEBI (SAST) Regulations being higher than the highest of the following parameters:

A	Highest Negotiated Price per equity share for any acquisition under the Share Purchase Agreement ("SPA") attracting the obligation to make the PA	10.00
B	The volume-weighted average price paid or payable for acquisition during the 52 week immediately preceding the date of the PA	Not Applicable
C	The highest price paid or payable for any acquisition during 26 weeks period immediately preceding the date of PA	Not Applicable
D	The volume-weighted average market price for a period of 60 trading days immediately preceding the date of PA on Stock Exchanges where the maximum	Not Applicable

	volume of trading in the shares of the Target Company are recorded during such period	
E	Where the shares are not frequently traded, the price determined by Acquirer and the Manager taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies	10.00*
E.1	Other Financial Parameters	For the year ended 31-03-2022 (Audited)**
i.	Return on Net Worth (%)	(37.66)
ii.	Book Value per Share (Rs.)	10.00
iii.	Earning per Share	(1.22)
F	The per equity share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, if applicable	Not Applicable

**Source- Audited Financial of the Target Company for the year ended March 31, 2022.

* As per the valuation report, the fair value of the Equity Shares of the Target Company is negative and since the Target Company is proposing the preferential issue of shares, which cannot be done at price less than face value of shares, accordingly, Offer Price per Equity Shares shall be at face value i.e. at Rs. 10/- (Rupees Ten Only) per Equity Share. The fair value of the Equity Share of the Target Company is certified by Mr. Hitendra Ranka being an Independent Valuer, having (Registration No. IBBI/RV/06/2019/11695), having their office situated at 528, 5th floor, Saffron Business Park, Jashodanagar, Ahmedabad 382 445; Tel. No.: +91 9962345413; Email ID: hitendra.ranka@rankaassociates.com; vide valuation report dated June 23, 2022 (UDIN: 22157129ALMCDR6288).

- 6.1.5 In view of the parameters considered and presented in the table above, in the opinion of the Manager to the Offer and Acquirer confirms that the Offer price of Rs.10.00/- (Rupees Ten Only) per fully paid up equity share is justified in terms of Regulation 8(2) (e) of SEBI (SAST) Regulations, 2011.
- 6.1.6 There has been no corporate action requiring the price parameters to be adjusted.
- 6.1.7 If the Acquirer acquires or agrees to acquire any whether by themselves or through any person(s) acting in concert any Equity Shares of the Target Company during the offer at a price higher than the Offer Price, then the Offer price shall stand revised to highest price paid or payable for such acquisition.
- 6.1.8 In the event of further acquisition of Equity Shares of the Target Company by the Acquirer during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, Acquirer shall not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
- 6.1.9 If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the closure of Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose Equity Shares have been accepted in this Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021, as amended from time to time or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares of the Target Company in any form.
- 6.1.10 As on date, there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirer shall comply with Regulation 17(2) and 18 of SEBI (SAST) Regulations, 2011 and all other applicable provisions of SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the Open Offer Price or Open Offer Size.
- 6.1.11 If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only upto one working day prior to the date of commencement of the Tendering Period in accordance with Regulation 18(4) of the Takeover Regulations and would be notified to the shareholders by way of another public announcement in the same newspapers where the DPS has appeared.

6.2. Financial Arrangements

- 6.2.1 Assuming full acceptance under the Offer, the maximum consideration payable by the Acquirer under the Offer would be Rs. 2,05,31,500 (Indian Rupees Two Crores Five Lakhs Thirty-One Thousand and Five Hundred Only) (“Maximum Consideration”) i.e. consideration payable for acquisition of 20,53,150 Equity Shares of the Target Company at an Offer Price of Rs. 10.00 per Equity Share (“Offer Size”).
- 6.2.2 The Networth of Appu Financial Services Limited (the Acquirer) as on March 31, 2022 is Rs. 16,90,49,419 (Rupees Sixteen Crores Ninety Lakhs Forty Nine Thousand Four Hundred and Nineteen Only) and the Acquirer has sufficient liquid funds to fulfill its monetary obligations under the Offer. Chartered Accountant, Mr. Niranjana Jain (Membership No.: 047811), Proprietor of Niranjana Jain & Co, Chartered Accountants (FRN No: 313913W), having its Office at 307, 308, Shital Varsha Arade, Opp. Girish Cold Drinks, C.G.Road, Ahmedabad-380009, Gujarat; Ph: +91 (079) 26440427, 40075175; Email Id: nirnajainco156@yahoo.co.in; has certified (UDIN: 22047811AMEWS17212), has certified, vide certificate dated June 25, 2022, that sufficient resources are available with the Acquirer for fulfilling its obligations under this Offer in full.
- 6.2.3 The Acquirer has adequate resources to meet the financial requirements of the Open Offer. No funds are being borrowed from any bank or financial institution for the purpose of this Open Offer by the Acquirer.
- 6.2.4 In accordance with Regulation 17(1) of the Takeover Regulations, the Acquirer and the Manager to the Offer have entered into an escrow agreement dated June 29, 2022 with ICICI Bank Limited, having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, Gujarat. Pin – 390 007, Gujarat, India and through its branch situated at Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai - 400020 (“**Escrow Bank**”) in terms of which the Acquirer has opened Cash Escrow Account in the name and style of “**APPU FINANCIAL**

SERVICES LIMITED OPEN OFFER- ESCROW ACCOUNT” (the "Escrow Account"), bearing account no. 000405135220 with the Escrow Bank. Further, the Acquirer has made a cash deposit of Rs. 83,51,850.00 (Rupees Eighty-Three Lakhs Fifty One Thousand Eight Hundred and Fifty Only) in this cash escrow account representing 40.68% of the maximum consideration payable to the equity shareholders under this Offer.

- 6.2.5 Further, in order to ensure that the funds that are payable to the Eligible Public Shareholders who tender in the Offer are managed more efficiently, the Acquirer has opened the Offer Special Account with the ICICI Bank Limited under the Offer Escrow Agreement, for the purpose of Regulation 21 of the SEBI (SAST) Regulations.
- 6.2.6 The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Offer Special Escrow Account, in accordance with the SEBI (SAST) Regulations.
- 6.2.7 Based on the above and in the light of the escrow arrangement, the Manager to the Open Offer is satisfied that the firm arrangements have been put in place by the Acquirer to fulfill their obligations through verifiable means in relation to the Offer in accordance with the SEBI (SAST) Regulations, 2011. The Manager to the Offer hereby confirms that the Acquirer is capable to implement the Offer obligations in accordance with the SEBI (SAST) Regulations.
- 6.2.8 In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.

7. TERMS AND CONDITIONS OF THE OFFER:

- 7.1. The Letter of Offer along with Form of Acceptance cum Acknowledgement will be (mailed or through physical mode) to all public shareholders of VIL (except the Acquirer and other Members of Promoter & Promoter group) whose name appear on the Register of Members, at the close of business hours on October 04, 2022, Tuesday ("**Identified Date**").
- 7.2. All owners of the shares, Registered or Unregistered (except the Acquirer and other Members of Promoters & Promoter group) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer as per the procedure set out in Para 8 below. Eligible Persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.
- 7.3. The Draft Letter of Offer will be dispatched to all the eligible shareholders of the Target Company as of the Identified Date. While it would be insured that the Letter of Offer is dispatched by the due date to all the eligible shareholders as on the Identified Date, non-receipt the Letter of Offer by any member entitled to this open offer will not invalidate the Offer in any manner whatsoever.
- 7.4. 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.

7.5. Locked-in Shares:

There are no locked-in shares in VIL as on the date of filing this LOF. As required under Regulation 167 & 168 of SEBI (ICDR) Regulations, 2018 and amended from time to time, 76,25,000 Equity shares allotted to the proposed Preferential Allottee's shall be locked from the date of receipt of trading approval from BSE. Out of this, 15,94,800 equity shares shall be locked-in for a period of 3 years and 60,30,200 equity shares shall be locked in for a period 6 months from the date of receipt of trading approval from BSE.

- 7.6. Eligibility for accepting the Offer: The Offer is made to all the public shareholders (except the Acquirer, Sellers and other Members of Promoter & Promoter group) whose names appeared in the register of shareholders at the close of the business hours as on Identified date i.e. October 04, 2022, Tuesday and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

7.7. Statutory Approvals and conditions of the Offer:

- 7.7.1. As on the date of this LOF, to the best of knowledge of the Acquirer, statutory approval has been received for point numbers 7.7.1 a, b, c and d. Besides this, there are no other statutory and other approvals are required in relation to the Offer, except as mentioned in point no. 7.7.1(e):
- In-principle approval from the stock exchange:** In-principle approval from BSE Limited for listing of Equity Shares proposed to be issued pursuant to the Proposed Preferential Issue by the Target Company was obtained via their letter dated on August 12, 2022 bearing reference no. LOD/PREF/KK/FIP/2486/2022-23.
 - Approval for Increase in Authorised Capital of the Target Company:** The Board of Directors of the Company in its meeting held on June 29, 2022 and the Shareholders via their Postal Ballot through remote E-Voting held on August 05, 2022, have approved increase in the Authorized Capital of the Company to Rs. 13,00,00,000/- (Rupees Thirteen Crores only), comprising of 1,30,00,000 (One Crore Thirty Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each.
 - Approval of the Shareholders of the Target Company:** The approval of the Shareholders of the Target Company for the proposed issuance of Equity Shares pursuant to the Proposed Preferential Issue was received via Postal Ballot dated August 03, 2022.
 - Allotment of Shares under Preferential Issue:** The Board of Director Meeting held on June 29, 2022 have approved the proposed Preferential Allotment of 1,25,00,000 (One Crore Twenty-Five Lakhs Only) Equity Shares of Rs. 10/- (Ten) each for cash at par aggregating upto INR 12,50,00,000/- (Indian Rupees Twelve Crores and Fifty Lakhs Only) on preferential basis through private placement the ("Issue") to Acquirer (Proposed Promoter) and Investors (proposed public shareholders). The Investors (proposed public shareholders) other than the Acquirer (also a proposed preferential Allottee and proposed promoter) do not intend participating in the open offer. However, the Board of Directors at their meeting held on August 26, 2022, has approved the Preferential Allotment of 76,25,000 (Seventy Lakhs Twenty-Five Thousand Only) Equity Shares of Rs. 10/- (Ten) each for cash at par aggregating upto INR /-7,62,50,000 (Indian Rupees Seven Crores Sixty-Two Lakhs and Fifty Thousand Only). The Acquirer (Proposed Promoter) shall be allotted 57,50,000 equity shares and Investors (proposed public shareholders) shall be allotted 18,75,000 equity shares on the on preferential basis.

- e. Listing and Trading Approval for Proposed Preferential Shares:** The Target Company has made an application with BSE on September 13, 2022 for obtaining the listing and trading approval for listing and trading the equity shares issued on preferential issue basis.

However, if any other statutory approvals are required or become applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.

- 7.7.2. Non-resident equity shareholders who wish to tender their equity shares in the Target Company in this Offer will be required to submit all the applicable Reserve Bank of India (hereinafter referred to as “RBI”) approvals that they would have obtained for acquiring, the equity shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirer reserves the sole right to reject the equity shares tendered in the Offer.”
- 7.7.3. The Acquirer, in terms of Regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a PA will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS has appeared.
- 7.7.4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations, will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.
- 7.7.5. No approval is required from any bank or financial institutions for this Offer.
- 7.7.6. The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

- 8.1. The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window (‘Acquisition Window’) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular dated December 09, 2016, and as further amended vide SEBI circular numbered SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021.
- 8.2. BSE Limited (‘BSE’) shall be the Designated Stock Exchange for the purpose of tendering equity shares in the Open Offer.
- 8.3. The facility for Acquisition of shares through Stock exchange Mechanism pursuant to an Open Offer shall be available on the BSE in the form of Separate Window (‘Acquisition Window”).
- 8.4. The Acquirer has appointed NNM Securities Private Limited, Stock Broker for the open offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made. The contact details of the buying broker are as mentioned below:

Name	: NNM Securities Private Limited
Address	: B 6/7, Shri Siddhivinayak Plaza, 2 nd Floor, Plot no. B-31, Oshiwara, Opp. Citi mall, Behind Maruti Showroom, Andheri Linking Road, Andheri (W), Mumbai-400053
Tel. No.	: +91 22 40790011, 40790036
E-mail ID	: nikunj@nnmsecurities.com
Contact Person	: Mr. Nikunj Anilkumar Mittal
CIN	: U67120MH1997PTC111496

- 8.5. All the shareholders who desire to tender their equity shares under the Open Offer will have to intimate their respective stock brokers (‘Selling Brokers’) within the normal trading hours of the Secondary Market, during the Tendering period.
- 8.6. Such shares would be transferred to a special account of the clearing corporation specifically created for this purpose prior to placing the bid. The stock brokers shall also forward to the Clearing Corporation such details regarding the shares tendered as may be required by the Merchant Banker.
- 8.7. A separate Acquisition Window will be provided by the BSE to facilitate placing of sell orders. The Selling broker can enter orders for dematerialized as well as physical Equity shares.
- 8.8. The cumulative quantity tendered shall be displayed on the Exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering period.
- 8.9. Shareholders can tender their shares only through a Broker with whom the shareholder is registered as client.
- 8.10. **Procedure for tendering shares held in Dematerialized Form.**
- The Equity shareholders who are holding the equity shares in demat form and who desire to tender their Equity shares in this offer shall approach their broker indicating to their broker the details of equity shares they intend to tender in Open Offer.
 - The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.
 - For custodian participant, orders for demat equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

- d) The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the opening of the Offer.
- e) Upon placing the order, the Selling Broker(s) shall provide transaction registration slip (“TRS”) generated by the Exchange bidding system to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.
- f) The shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

The shareholders holding Equity shares in demat mode are not required to fill any Form of Acceptance-cum Acknowledgement. The shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.

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

- In accordance with the Frequently Asked Questions issued by SEBI, ‘FAQs – Tendering of physical shares in buyback offer/ open offer/ exit offer/ delisting dated February 20, 2020’ and SEBI circular bearing reference number ‘SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020’, shareholders holding securities in physical form are allowed to tender shares in the open offer through Tender Offer route. However, such tendering shall be as per the provisions of respective regulations.
- Public Shareholders who are holding physical Equity Shares and intend to participate in this Offer shall approach Selling Broker. The Selling Broker should place bids on the BSE’s platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of Equity Shares etc.
- After placement of order, the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein the along with the complete set of documents for verification procedures to be carried out, namely being: (a) original share certificate(s), (b) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company, (c) self-attested copy of the shareholder’s PAN Card, and (d) TRS, any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., (e) Cancelled Cheque as applicable either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (Two) days from the closure of the Tendering Period latest by 5:00 PM (Indian Standard Time). The envelope should be superscripted as ‘VELOX OPEN OFFER’. One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Selling Broker.
- In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (a) valid Aadhar Card; (b) Voter Identity Card; or (c) Passport.
- Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for this Offer shall be subject to verification by the Registrar. On receipt of the confirmation from the Registrar, the bid will be accepted else rejected and accordingly the same will be depicted on the BSE platform.
- Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.
- Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of Equity Shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to): Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired; Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s); No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien, or encumbrance.

8.12. Modification/Cancellation of orders will not be allowed during the period the Offer is open.

8.13. The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the tendering period

8.14. Procedure for Tendering the Shares in case of Non-Receipt of this Letter of Offer:

Persons who have acquired equity shares but whose names do not appear in the register of members of the Target Company on the Identified date, or those who have not received the letter of offer, may also participate in this Offer. A shareholder may participate in the Offer by approaching their broker and tender Equity shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the Form of Acceptance-cum-Acknowledgement. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as on the Identified date. In case of non-receipt of this Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or BSE website (www.bseindia.com) or Merchant Banker website (www.focl.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity shares of the Target Company. Alternatively in case of non-receipt of this Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client Id number, DP name, DP ID number, number of shares tendered. Such Shareholders have to ensure that their order is entered in the electronic platform to be made available by the BSE before the closure of the Offer.

8.15. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in this

Offer. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the shareholders are advised to adequately safeguard their interest in this regard.

8.16. Acceptance of Equity

Shares Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot.

8.17. Settlement Process

- a) On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favor of Clearing Corporation.
- b) The shares shall be directly credited to the pool account of the Buying Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the pool account of the Buying Broker. In case of partial or non-acceptance of orders or excess pay-in, demat Shares shall be released to the securities pool account of the Selling Broker / custodian, post which, the Selling Broker would then issue contract note for the shares accepted and return the balance shares to the Shareholders.

8.18. Settlement of Funds/ Payment Consideration

The settlement of fund obligation for demat and physical Equity Shares shall be effected through existing settlement accounts of Selling Broker. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Selling Broker / Custodian Participant will receive funds payout in their settlement bank account. The Selling Brokers / Custodian participants would pay the consideration to their respective clients. The funds received from Buying Broker by the Clearing Corporation will be released to the Selling Broker(s) as per secondary market pay-out mechanism. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

8.19. NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS AND THE DOUBLE TAXATION AVOIDANCE AGREEMENTS (“DTAA”) WITH RESPECTIVE COUNTRIES. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER AND MANAGER TO OFFER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS SUMMARY. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS SUMMARY OF INCOME TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF EQUITY SHARES IN THE OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA AS SET OUT ABOVE AND THE SAME SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

- a) The basis of charge of Indian income-tax depends upon the residential status of the person subject to tax (“Taxpayer”) during a Financial Year and the taxpayer has to pay their taxes in the following year (Assessment Year). The Financial Year for Indian Residents starts from April 01 and ends on March 31. A person who is a resident in terms of Indian Income Tax Act, 1961, (“IT Act”) he is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act itself. A person who is treated as a non-resident for the purpose of Indian income-tax purposes is generally subject to tax in India only on such person’s India sourced income (i.e. income which accrues or arises or deemed

to be accrued or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "Situs" of such shares. "Situs" of the shares is generally where a company is "incorporated".

- b) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under IT Act.
- c) A Taxpayer who is non-resident for tax purpose under Indian IT Act can avail benefits of the Double Taxation Avoidance Agreement ("DTAA"), between India and the respective country of which the Taxpayer is a resident for tax purpose subject to satisfying relevant conditions including:
 - 1. those set out in limitation of benefits provisions present in the said DTAA (if any),
 - 2. the non-applicability of General Anti-Avoidance Rules, and
 - 3. providing and maintaining necessary information and documents as prescribed under the Income-tax Act.
- d) The summary of income-tax implications on tendering of listed equity shares on the recognized stock exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.
- e) As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge and health and education cess are also leviable. The applicable rate of surcharge is dependent on the category of the shareholder and for individual shareholders, income slab rates is applicable. The health and education cess is levied at the rate of 4% of the income tax and surcharge.
- f) Gains arising from the transfer of equity shares may be treated either as "Capital Gains" or as "Business Income" for income-tax purposes, depending upon whether such equity shares were held as a capital asset or business asset (i.e. stock-in-trade).
- g) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- h) Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the financial year. The summary of income tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.
- i) Taxability of Capital Gain in the hands of the Public Shareholders:
 - 1. The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to Securities Transaction Tax ("STT") upon both buy and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the Capital Gains tax would be computed on gains exceeding ₹ 1,00,000 (Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any Capital Gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.
 - 2. As per section 111A of the IT Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).
 - 3. Any applicable surcharge and education cess would be in addition to above applicable tax rates.
 - 4. In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirer shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer.
 - 5. In case of non-resident Public Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealers/ tax advisors appropriately.

THE TAX IMPLICATIONS ARE BASED ON PROVISIONS OF THE IT ACT AS APPLICABLE AS ON DATE OF THIS LETTER OF OFFER. IN CASE OF ANY AMENDMENT MADE EFFECTIVE PRIOR TO THE DATE OF CLOSURE OF THIS OFFER, THEN THE PROVISIONS OF THE IT ACT AS AMENDED WOULD APPLY. NOTWITHSTANDING THE DETAILS GIVEN ABOVE, ALL PAYMENTS WILL BE MADE TO THE PUBLIC SHAREHOLDERS SUBJECT TO COMPLIANCE WITH PREVAILING TAX LAWS. THE FINAL TAX LIABILITY OF THE PUBLIC SHAREHOLDER SHALL REMAIN OF SUCH PUBLIC SHAREHOLDER AND THE SAID PUBLIC SHAREHOLDER WILL APPROPRIATELY DISCLOSE THE AMOUNTS RECEIVED BY IT, PURSUANT TO THIS OFFER, BEFORE THE INDIAN INCOME TAX AUTHORITIES.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the Merchant Banking Division office of the Manager to the Offer at First Overseas Capital Limited, 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001, India .from 11.30 a.m. to 2.30 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

- 9.1 Certificate of Incorporation, Memorandum and Articles of Association of Velox Industries Limited.
- 9.2 Certificate of Incorporation, Memorandum and Articles of Association of Appu Financial Services Limited.
- 9.3 Copy of the SPA dated June 29, 2022 as executed between the Acquirer and Outgoing Promoter/ Seller and related documents to the SPA.

- 9.4 CA Mr. Niranjan Jain (Membership No.: 047811), Proprietor of Niranjan Jain & Co., Chartered Accountants (FRN No: 313913W), having its office at 2307, 308, Shital Varsha Arade, Opp. Girish Cold Drinks, C.G.Road, Ahmedabad-380009, Gujarat; Ph: +91 (079) 26440427, 40075175; Email Id: niranjainco156@yahoo.co.in; has certified (UDIN: 22047811AMEWS17212)vide his certificate dated June 25, 2022 certifying the Net worth of Acquirer and the same is certified by them that he has sufficient liquid funds as on date to fulfill his monetary obligations under this open offer vide certificate dated June 25, 2022 having UDIN: 22047811AMEWS17212.
- 9.5 Copy of Certificate dated June 23, 2022 as issued by Mr. Hitendra Ranka being an Independent Valuer, having (Registration No. IBBI/RV/06/2019/11695), having their office situated at 528, 5th floor, Saffron Business Park, Jashodanagar, Ahmedabad 382 445; Tel. No.: +91 9962345413; Email ID: hitendra.ranka@rankaassociates.com; vide valuation report dated June 23, 2022 (UDIN: 22157129ALMCDR6288) certifying the computation of the Offer Price- the fair value of the equity shares of the Target Company.
- 9.6 Audit Reports of Velox Industries Limited for years ended on March 31, 2020, 2021 and 2022.
- 9.7 Audit Reports of Appu Financial Services Limited for years ended on March 31, 2020, 2021 and 2022and Unaudited financials for period ended June 30, 2022.
- 9.8 Escrow Agreement dated June 29, 2022 entered into between ICICI Bank Limited, First Overseas Capital Limited and the Acquirer.
- 9.9 Copy of Memorandum of Understanding (MOU) dated June 29, 2022 executed between the Acquirer and the Manager to the Offer.
- 9.10 Copy of Memorandum of Understanding (MOU) dated June 10, 2022 executed between the Acquirer and the Registrar to the Offer.
- 9.11 Copy of Public Announcement dated June 29, 2022 and Published copy of the Detailed Public Statement, which appeared in the newspapers on July 06, 2022.
- 9.12 ICICI Bank Limited Confirmation letter w.r.t. the cash deposit kept in Escrow Account opened as per the Regulations and empowering Manager to the Offer.
- 9.13 Due Diligence Certificate dated July 13, 2022 submitted to SEBI by the Manager to the Offer.
- 9.14 Copy of Recommendation made by Committee of Independent Directors of VIL.
- 9.15 Copy of the letter no. SEBI/HO/CFD/CFD-RAC-DCR1/P/OW/2022/50802/1 received from SEBI dated September 30, 2022 containing its comments on this Letter of Offer in terms of provisions of Regulation 16(4) of SEBI (SAST) Regulations.

10. DECLARATION BY THE ACQUIRER

- 10.1 The Acquirer has made all reasonable inquiries, accept responsibility for, and confirm that this LOF contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this LOF is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- 10.2 The Acquirer is responsible for ensuring compliance with the Takeover Regulations and the obligations as stated under the Takeover Regulations. All information contained in this document is true and correct as on date of the PA, DPS and this LOF, unless stated otherwise.
- 10.3 The Manager to the Offer hereby states that the person signing this letter of Offer is Acquirer duly authorized to sign this Letter of Offer.

Signed By:

Name: Mohd Shatib Shahabuddin Sayyed
Designation: Director
DIN No.: 09268836

Place: Kolkata
Date: October 10, 2022

ENCLOSURES:

- 1) Form of Acceptance cum Acknowledgement
- 2) Blank Share Transfer Deed(s) in the case of shares held in physical mode.

FORM OF ACCEPTANCE – CUM – ACKNOWLEDGEMENT

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER OPENS ON: OCTOBER 19, 2022; WEDNESDAY

OFFER CLOSES ON: NOVEMBER 04, 2022; FRIDAY

From:

Folio Number:

Name:

Address:

Status: Resident/ Non Resident

To,

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D-153 A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi- 1100200, India

Tel. No.: +91 11 40450193-97

Website: www.skylinerta.com

E-mail ID: dmin@skylinerta.com

Dear Sir,

OPEN OFFER FOR ACQUISITION OF UP TO 20,53,150 (TWENTY LAKHS FIFTY-THREE THOUSAND ONE HUNDRED FIFTY) EQUITY SHARES OF RS. 10/- EACH REPRESENTING 25.75% (TWENTY-FIVE POINT SEVENTY-FIVE PERCENT) * OF THE EMERGING VOTING EQUITY SHARE CAPITAL OF THE TARGET COMPANY AS OF THE TENTH WORKING DAY FROM THE CLOSURE OF THE TENDERING PERIOD OF THE OPEN OFFER FROM THE ELIGIBLE SHAREHOLDERS OF THE VELOX INDUSTRIES LIMITED (“VIL”) FOR CASH AT A PRICE OF RS.10 (RUPEES TEN ONLY) PER EQUITY SHARE (“OFFER PRICE”), BY APPU FINANCIAL SERVICES LIMITED (“ACQUIRER”) WITH AN INTENTION TO ACQUIRE EFFECTIVE MANAGEMENT CONTROL OVER THE TARGET COMPANY.

**An open offer in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, is required to be given for at least 26.00% (Twenty-Six Percent) of the of the Emerging Voting Equity Share Capital of the Target company, i.e. for 20,73,240 Equity Shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee’s also), as on date of this LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company.*

I/We refer to the Letter of Offer dated October 10, 2022 for acquiring the Equity Shares held by me/us in VIL.

I/We, the undersigned, have read the Letter of Offer, Detailed Public Statement and understood their contents including the terms and conditions and procedure as mentioned therein and unconditionally accept such terms and conditions.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

EQUITY SHARES 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 Equity Shares
			From	To	
Total number of Equity Shares					

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We note and understand that the original Equity Share certificate(s) and valid share transfer deed(s) will be held in trust for me/us by the Registrar until the time the Acquirers pays 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.

Enclosures (please provide the following and whichever is applicable):

- Original Equity Share certificates.
- Valid share transfer deed(s) duly filled, stamped, and signed by the transferor(s) (i.e., by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
- Form of Acceptance (FOA) – signed by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- Photocopy of Transaction Registration Slip (TRS) Self attested copy of PAN card of all the transferor(s).
- Self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license.
- Any other relevant document (but not limited to) such as Power of Attorney (if any person apart from the Shareholder has signed the FOA), corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased etc., as applicable. Shareholders of the Target

Company holding physical Equity Shares should note that Physical Equity Shares will not be accepted unless the complete set of documents are submitted.

FOR ALL PUBLIC SHAREHOLDERS (HOLDING EQUITY SHARES IN DEMAT OR PHYSICAL FORM)

I/We confirm that the Equity Shares which are being tendered herewith by me/us under this Offer, are free from liens, charges, equitable interests, and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter and that I/we have obtained any necessary consents to sell the equityshares on the foregoing basis.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender equity shares for Open Offer and that I/we am/are legally entitled to tender the equity shares for Open Offer.

I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I/We agree that the Acquirers will pay the consideration as per secondary market mechanism only after verification of the certificates, documents, and signatures, as applicable submitted along with this FOA.

I/We undertake to return to the Acquirers any Offer consideration that may be wrongfully received by me/us. I/We give my/our consent to file form FCTRS, if applicable, on my/our behalf.

I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirers to effect this Offer in accordance with the SEBI (SAST) Regulations.

I /We am/are not debarred from dealing in Equity Shares.

I /We authorize the Acquirers to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager and the Registrar and in terms of the Letter of Offer and I/we further authorize the Acquirers to return to me/us in the demat account/share certificate(s) in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We further agree to receive a single share certificate for the unaccepted Equity Shares in physical form.

In case of demat shareholders, I /We note and understand that the Equity Shares would be kept in the pool account of my/our broker and the lien will be marked by Clearing Corporation until the Settlement Date whereby the Acquirers make payment of purchase consideration as mentioned in the Letter of Offer.

In case of physical shareholders, I/We note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar in trust for me/us till the date the Acquirers make payment of consideration as mentioned in the Letter of Offer or the date by which Original Share Certificate(s), Transfer Deed(s) and other documents are returned to the shareholders, as the case may be.

I /We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961.

I/We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy, or omission of information provided/to be provided by me/us, I/we will indemnify the Acquirers for such income tax demand (including interest, penalty, etc.) and provide the Acquirers with all information/documents that may be necessary and co-operate in any proceedings before any income tax/apellate authority.

FOR NRIS/OCBS/ FIIS AND SUB-ACCOUNTS/OTHER NON-RESIDENT SHAREHOLDERS

I/We confirm that my/our status is (√ whichever is applicable):

Individual	Foreign Company	FIIs / FPIs-Corporate	FIIs / FPIs-Others	FVCI
Foreign Company	Foreign Company	Foreign Company	Foreign Company	Foreign Company
FIIs / FPIs-Corporate	FIIs / FPIs-Corporate	FIIs / FPIs-Corporate	FIIs / FPIs-Corporate	FIIs / FPIs-Corporate
Others (Please Specify):				

I/We confirm that my/our investment status is (√ whichever is applicable): FDI Route / PIS Route / Any Other (Please Specify):

I/We confirm that the Equity Shares tendered by me/us are held on (√ whichever is applicable): Repatriable basis / Non-repatriable basis

I/We confirm that (√ whichever is applicable):

No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the Reserve Bank of India. The copies of all approvals required by me for holding Equity Shares that have been tendered in this Offer are enclosed herewith Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith.

I/We confirm that (√ whichever is applicable):

No RBI, FIPB or other regulatory approval is required by me for tendering the equity shares in this Offer. Copies of all approvals required by me for tendering equity shares in this Offer are enclosed herewith.

In case of shareholders holding Equity Shares in demat form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the Depositories. In case of interest payments, if any, by the Acquirers for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act, 1961.

Yours faithfully,
Signed and
Delivered:

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

Note: In case of joint holdings, all holders must sign. In case of body corporate, the rubber stamp should be affixed, and necessary board resolution must be attached.

Place:

Date:

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance cum Acknowledgement.
2. The Form of Acceptance cum Acknowledgement should be filled-up in English only.
3. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
4. **Mode of tendering the Equity Shares Pursuant to the Offer:**
 - a. The acceptances of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of Velox Industries Limited.
 - b. The Public Shareholders of Velox Industries Limited to whom this Offer is being made, are free to Offer his / her / their shareholding in Velox Industries Limited for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.

Tear along this line

ACKNOWLEDGEMENT SLIP

Subject:

Open Offer for Acquisition of Up to 20,53,150 (Twenty Lakhs Fifty-Three Thousand One Hundred Fifty) Equity shares of Rs. 10/- each representing 25.75%(Twenty-Five point Seventy-Five Percent) * of the Emerging Voting Equity Share Capital of the Target company on a fully diluted basis, as of the tenth working day from the closure of the tendering period of the open offer ("Voting Share Capital"), from the eligible shareholders of the Target Company of Rs. 10/- each at a price of Rs. 10.00/- per share ("Offer Price").

**An open offer in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, is required to be given for at least 26.00% (Twenty-Six Percent) of the of the Emerging Voting Equity Share Capital of the Target company, i.e. for 20,73,240 Equity Shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee's also), as on date of this LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company.*

FOR PHYSICAL EQUITY SHARES

Received from Mr./Ms./Mrs./M/s. _____

I / We, holding Equity Shares in the physical form, accept the Offer and enclose duly filled signed and or stamped the original share certificate(s), transfer deed(s) and Form of Acceptance in 'market' mode, duly acknowledged by me/us in respect of my Equity Shares as detailed below:

Sr. No	Folio No.	Certificate No.	Distinctive No.		No. of Equity Shares
			From	To	
Total Number of Equity Shares					

FOR DEMAT EQUITY SHARES

Received from Mr./Ms./Mrs./M/s. _____ I / We, holding Equity Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in 'market' mode, duly acknowledged by my/our Depository Participant in respect of my shares as detailed below:

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

Stamp of Collection Centre	Signature of Official	Date of Receipt

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

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D-153 A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi- 1100200, India

Tel. No.: +91 11 40450193-97

Website: www.skylinerta.com

E-mail ID: dmin@skylinerta.com

FORM NO. SH-4 SECURITIES TRANSFER FORM

[Pursuant to section 56 of the Companies Act, 2013 and Rule 11 (1) of the Companies (Share Capital and Debentures) Rules, 2014]

Date of

Execution:...../...../.....

FOR THE CONSIDERATION stated below the 'Transferor(s)' named do hereby transfer to 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 hereby agree to accept and hold the said securities subject to the conditions aforesaid

CIN: L 1 5 1 2 2 M H 1 9 8 3 P L C 0 2 9 3 6 4

Name of the Company (in full): **Velox Industries Limited**

Name of the Stock Exchange where the Company is listed, if

any: **BSE Limited**

Description of Securities

Kind/Class of Securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
No. of Securities being Transferred		Consideration Received (INR)	
In Figures	In Words	In words	In figures

Distinctive Number	From			
	To			

Corresponding Certificate Nos.			

Transferor's Particulars		
Registered Folio Number:		
Name(s) in full	PAN	Signature(s)
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

Attestation:

I hereby confirm that the transferor has signed before me.

Signature _____ of _____ the _____ witness:

Name _____ of _____ the _____ witness:

Address _____ of _____ the _____ witness:

Pin

Code:

Transferee's Particulars:		
Name in full (1)	Father's/ mother's/ spouse name (2)	Address, phone no. and Email Address (3)
Occupation (4)	Existing folio no., if any (5)	Signature (6)
Business		1. _____ 2. _____ 3. _____

Folio No. of Transferee	Specimen Signature of Transferee(s)
	1. _____
	2. _____
	3. _____

Value of stamp affixed: _____ (₹)

Stamps

<p>Enclosures:</p> <ol style="list-style-type: none"> Certificate of Equity Shares or debentures or other securities If no certificate is issued, letter of allotment Copy of PAN CARD of all the Transferees (For all listed Cos) Other, Specify, _____ 	
<p>For office use only</p> <p>Checked by _____</p> <p>Signature tallied by _____</p> <p>Entered in the Register of Transfer on _____ vide Transfer No. _____</p> <p>Approval Date _____</p> <p>Power of attorney /Probate/ Death Certificate/ Letter of administration Registered on at No. _____</p>	

On the reverse page of the certificate

Name of Transferor	Name of Transferee	No. of Equity Shares	Date of Transfer
			Signature of authorized signatory