

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

DELISTING OFFER LETTER

For Delisting of the Equity Shares of the Company to the equity shareholders of



KOTHARI WORLD FINANCE LIMITED

Registered Office: C-121, 12th Floor, Mittal Tower, Nariman Point, Mumbai – 400021

Telephone: +91-22-22851620, **Fax:** +91-22-22871695

Website: www.kothariworld.com, **Email:** info@kothariworld.com

CIN No. L65993MH1985PLC035005

From **Mr. Nitesh Kothari**

Address: C-121, 12th Floor, Mittal Tower, Nariman Point, Mumbai – 400021

Tel.: +91-22-22851620; **Email:** nitesh@kothariworld.com

(hereinafter referred as the “**Promoter /Acquirer**”)

inviting your consent to the proposed Delisting of Equity Shares of the Company (“**Delisting Proposal**”) from BSE Limited (“**BSE**”) and to tender your fully paid-up equity shares of face value ₹ 10/- each of the Company, pursuant to Regulation 27 of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

In case you have recently sold your equity shares in the Company, please hand over this Delisting Offer Letter along with the application form and the accompanying documents to the member of the stock exchange through whom the sale was effected or the person to whom you sold your equity shares, as the case may be.

EXIT PRICE: ₹ 52/- PER EQUITY SHARE

THE ENCLOSED DELISTING APPLICATION FORM IS TO BE SUBMITTED TO THE MANAGER TO THE DELISTING OFFER ONLY BY HAND DELIVERY OR REGISTERED POST OR SPEED POST OR COURIER (AT THEIR OWN RISK AND COST) ALONG WITH ALL APPLICABLE DOCUMENTS IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET OUT IN THIS DELISTING OFFER LETTER

MANAGER TO THE DELISTING OFFER

KEYNOTE

Keynote Financial Services Limited

(Formerly Keynote Corporate Services Limited)

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028

Contact Person : Ms. Pooja Sanghvi/ Mr. Shashank Pisat

Tel.: +91 22 6826 6000-3, **E-mail:** mbd@keynoteindia.net

Website: www.keynoteindia.net

SEBI Registration No.: INM 000003606

DELISTING OFFER OPENING DATE:

Monday, March 30, 2020

DELISTING OFFER CLOSING DATE:

Wednesday, April 15, 2020

Dear Shareholder(s),

Delisting Offer Letter from Mr. Nitesh Kothari (“Promoter / Acquirer”), one of the Promoter of Kothari World Finance Limited inviting your consent to the proposed Delisting of Equity Shares of the Company (“Delisting Proposal”) from BSE Limited (“BSE”) and to tender your fully paid-up equity shares of face value ₹ 10/- each of the Company at an exit price of ₹ 52/- per equity share under the Delisting Proposal.

As you are aware the Company intends to delist its equity shares from BSE by complying with applicable rules/regulations. In this regard, I, being one of the Promoter of the Company, wish to provide you an exit opportunity pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (“**Delisting Regulations**”) and have appointed Keynote Financial Services Limited a Category I Merchant Banker registered with SEBI as Manager to the Offer. The Exit offer Price to the Public Shareholders has been fixed at ₹ 52/- per equity share.

The company is entitled and wishes to delist its equity shares from BSE under Chapter VII (Special Provisions for Small Companies) of Regulation 27 of the Delisting Regulations subject to the approval of Shareholders through postal ballot and providing exit offer. Towards the same, the members / shareholders of the Company have approved delisting of equity shares from BSE vide a resolution passed through the postal ballot mechanism. The postal ballot was conducted in compliance with the provision of Regulation 8(1) (b) Delisting Regulations and in accordance with applicable provisions of the Companies Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Results of the Postal Ballot were disclosed to the Stock Exchange i.e. BSE on February 24, 2020. The number of votes cast by the public shareholder in favor of the Delisting proposal was greater than two times the number of votes cast by the public shareholders against the Delisting proposal. On passing of the resolution through postal ballot, Promoter/Acquirer & the Company complied with all the requirement to seek appropriate approval from BSE. Accordingly, BSE vide its letter no. LO/Delisting/CS/IP/435/2019-20 dated March 16, 2020 have issued In-Principle Approval for the proposed delisting subject to compliance of the conditions as mentioned therein and provisions of Chapter VII of the Delisting Regulations.

Accordingly in terms of regulations 27(3)(c) of the Delisting Regulations, I promoter/acquirer individually write to you as public shareholder informing you of my intention to get equity shares of the company delisted & I hereby seek your consent for the proposal of delisting and request you to kindly comply with the requirements as mentioned herein to avail the exit offer.

Presently promoter group is holding **49,14,545** equity shares of ₹10/- each representing **66.08%** and the public shareholding is **25,22,955** equity shares of ₹10/- each representing **33.92 %** of the total equity share capital.

JUSTIFICATION OF EXIT OFFER PRICE

While determining the Exit price and considering the applicable Regulations, various parameters as are customary for valuation of shares were considered including Book Value, Comparable Trading Multiples etc.

- Book Value per share based on audited financials for the year ended March 31, 2019 was ₹28.70.
- Earnings per Share based on audited financials for the year ended March 31, 2019 was ₹3.23.
- Due to lack of exact comparable companies on account of size and services offered in the operating space, results were not reliable and could have led to a wide range of valuations using Comparable Trading Multiples. Hence methodology of Comparable Trading Multiples was excluded.
- For the purposes of determination of equity value, other parameters which are customary for such an exercise were used and a separate valuation report was obtained. In terms of the said valuation report, equity value per share was arrived at ₹50.40.

In view of the above parameters, the Promoter/ Acquirer, in consultation with the Manager to the offer, M/s Keynote Financial Services Limited, have considered the exit price of the Equity Shares as ₹52/- (Rupees Fifty Two only) per equity share and the same is justified in terms of Regulation 8(2)(e) of SEBI (SAST) Regulations 2011 and Regulation 27(3) of the Delisting Regulation in the opinion of the Promoter & Manager to the offer.

RATIONALE FOR MAKING THE DELISTING OFFER

The continued listing status of the company is not commensurate with the size of operation of the Company and thus to save compliance costs and reduce the dedicated management time to comply with the requirements associated with the continued listings, which can be refocused on the Company's business, Promoters of the Company intend to delist the equity shares of the Company. Further, since the equity shares of the Company are infrequently traded on the Stock Exchange, the delisting of the equity shares of the Company is in the interest of the public shareholders as it will provide them with an exit opportunity at a price determined in accordance with the Delisting Regulations.

In view of above, I, Nitesh Kothari, the Promoter of the Company intend to acquire entire **25,22,955** equity shares representing **33.92%** of the paid-up equity capital of the Company, held by the public Shareholders by giving an exit opportunity at ₹ **52/-** (Rupees Fifty Two only) per Equity Share and delist the Equity Shares of the Company from BSE, the only stock exchange where the equity shares of the Company are listed.

PRE-CONDITION FOR ACCEPTANCE OF DELISTING OFFER:

(a) Please note that in terms of Regulation 27(3)(d) of Delisting Regulations, the Company can delist the shares only if the public shareholders, irrespective of their numbers, holding ninety percent or more of the shareholding give their consent in writing to the proposal for delisting and have consented either to sell their equity shares at the price offered by the promoter/acquirer or to remain the holders of the equity shares even if they are delisted.

Thus, you have option to give either:

(1) Positive Consent for Delisting

OR

(2) Negative Consent for Delisting

IT IS NECESSARY THAT YOU MUST SEND YOUR APPLICATION FORM TO THE MANAGER TO THE OFFER BY TICKING APPROPRIATE BOXES

(b) In case you wish to give positive consent for delisting of equity shares from BSE, you have an option:

1) either to sell the equity shares of the Company at the exit price offered

OR

2) to remain holder of equity shares of the Company even if they are delisted

(c) Please note that your positive consent for delisting will include your consent for dispensing with the exit price discovery through book building method.

IN CASE YOU HAVE GIVEN A POSITIVE CONSENT FOR DELISTING OF EQUITY SHARES FROM BSE, PLEASE MENTION THE SAME IN THE APPLICATION FORM AND SEND IT ALONG WITH NECESSARY ENCLOSURES TO THE OFFICE OF THE MANAGER TO THE DELISTING OFFER.

(d) In case where the Promoter/Acquirer does not receive the requisite minimum positive consent in terms of the Regulations 27(3)(d) of the Delisting Regulations then the equity shares tendered in the Delisting offer will be returned back to the shareholder/Seller broker

PROCEDURE FOR TENDERING YOUR EQUITY SHARES UNDER THE DELISTING OFFER

Please contact the Manager to the Delisting Offer if you require any clarification regarding the procedure for tendering your Equity Shares

1) **Procedure for Public Shareholders holding Equity Shares in DEMAT FORM:**

- (a) The Public Shareholders holding Equity Shares in dematerialized form and desirous of tendering their Equity Shares in the Delisting Offer must submit the enclosed Application Form along with the documents specified in paragraph 5 & 6(b) of this Delisting Offer Letter, as applicable, by hand delivery or by registered post/speed post or courier (at their own risk and cost) to the Manager at the below mentioned address on or before Wednesday, April 15, 2020 (i.e. the date of Closing of the Delisting offer).

KEYNOTE

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(Formerly Keynote Corporate Services Limited)

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028

Tel.: +91 22 6826 6000-3, **Contact Person:** Ms. Pooja Sanghvi/ Mr. Shashank Pisat

- (b) The Eligible Public Shareholders desirous of tendering their equity shares in the Delisting Offer must transfer their dematerialized Equity Shares from their respective depository account, in off-market mode, to the Special Depository Account with the Central Depository Services of India Limited opened with Keynote Capitals Limited, details of which are as follows:

Depository	CENTRAL DEPOSITORY SERVICES LIMITED
Special Depository Account Name	KOTHARI WORLD FINANCE LIMITED- DELISTING ESCROW ACCOUNT- OPERATED BY KFSL
Name of the Depository Participant	KEYNOTE CAPITALS LIMITED
DP Identification Number	12024300
Client Identification Number	00082843

- (c) Eligible Shareholders having their beneficiary account in National Securities Depository Limited shall use the Inter-Depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with CDSL.
- (d) **All transfers should be in off-market mode.** A photocopy of the delivery instructions or counterfoil of the delivery instructions submitted to the depository participant of the Public Shareholder's depository account and duly acknowledged by such depository participant crediting the Public Shareholder's Equity Shares to the Special Depository Account, should be attached to the Application Form.
- (e) In case your depository participant offers the facility of online transfer of shares, then instead of the photocopy of the acknowledged delivery instruction slip you may attach a printout of the computer-generated confirmation of transfer of shares.
- (f) **It is the sole responsibility of the Public Shareholders to ensure that their Equity Shares are credited to the Special Depository Account in the manner as mentioned above and their application are delivered or reach the Manger to Delisting Offer on or before the date of Closing of the Delisting Offer.**
- (g) The Equity Shares will be held in the Special Depository Account until the consideration payable has been dispatched to the Public Shareholders or the unaccepted shares are credited back to the Public Shareholders' depository accounts.
- (h) The ISIN for the Equity Shares of the Company is **INE988F01017**.
- (i) In case that you are not a resident of India, please submit along with your Application Form all documents as specified in paragraph 6 (**INFORMATION TO NON-RESIDENT ELIGIBLE SHAREHOLDERS**) of this Delisting Offer Letter.

PUBLIC SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM SHALL NOTE THE FOLLOWING:

As per the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI PR 51/2018 dated December 3, 2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. April 01, 2019.

Accordingly, the Public Shareholders who are holding equity shares in physical form and are desirous of tendering their equity shares in the said Delisting Offer can do so only after the equity shares are dematerialized. Such Public Shareholders are advised to approach any depository participant to have their equity shares dematerialized.

- 2) It shall be the responsibility of the Public Shareholders tendering their Equity Shares in the Delisting Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering such shares in the Delisting Offer, and the Promoter/Acquirer shall take no responsibility for the same. The Public Shareholders should attach a copy of any such approval to the Application Form, wherever applicable.
- 3) The Equity Shares to be acquired under this Delisting Offer are to be acquired free from all liens, lock-ins, charges and encumbrances and together with all rights attached thereto. Equity Shares that are subject to any charge, lock-ins, lien or encumbrance are liable to be rejected.
- 4) Public Shareholders should ensure that their Application Form together with necessary enclosures is received by the Manager to Delisting Offer on or before the last day of the Delisting offer closing date, at the address of the Manager to the Delisting Offer

In the event some Eligible Shareholders do not receive or misplace their Delisting Offer Letter , they may obtain a copy of same by writing to the manager to the Delisting offer clearly marking the envelope '**Kothari World Finance Limited - Delisting Offer**'. Alternatively, Eligible Shareholders may obtain a soft copy of the Delisting Offer Letter from the website of the Company and the Manager to the Delisting Offer at www.kothariworld.com and www.keynoteindia.net respectively.

- 5) **PUBLIC SHAREHOLDERS ARE REQUESTED TO SUBMIT THE BELOW MENTIONED DOCUMENTS, AS APPLICABLE, ALONG WITH THE APPLICATION FORM:**

Category	Procedure
Individual / HUF	1. Application Form duly filled and signed by the registered Public Shareholder
	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialized Equity Shares from the respective depository account, in off- market mode, to the Special Depository Account.
Corporate	1. Application Form duly filled and signed by an authorized signatory
Custodian	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialized Equity Shares from the respective depository account, in off- market mode, to the Special Depository Account.

Category	Procedure
Tendering through Power of Attorney ("POA")	1. Application Form duly filled and signed by the POA holders
	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialized Equity Shares from the respective depository account, in off- market mode, to the Special Depository Account.
	3. Public Shareholder should ensure that the POA is duly registered with their depository participant.

- 6) **INFORMATION TO NON-RESIDENT ELIGIBLE SHAREHOLDERS**

(a) It shall be the responsibility of the Public Shareholders who are non-resident Indians, persons resident outside India, OCBs, FPIs, etc. ("Non-Resident Public Shareholders") tendering their Equity Shares in the Delisting Offer, to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering the Equity Shares held by them in

the Delisting Offer, and the Acquirer/Promoter shall take no responsibility for the same. Non-Resident Public Shareholders may also choose to apply to the Reserve Bank of India for requisite approval required to tender their respective Equity Shares. The Non-Resident Public Shareholder should attach a copy of such approval to the Application Form, wherever applicable.

- (b) Non-Resident Public Shareholders are requested to submit the below mentioned documents, as applicable, along with the Application Form:

Category	Procedure
Non - resident Indian	1. Application Form duly filled and signed by the registered Public Shareholder or the POA Holder
	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialized Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.
	3. A Tax Clearance Certificate (“ TCC ”) from Income Tax Authorities under Section 195(3) or Section 197 of the Income Tax Act, 1961 and submit the same with Application Form. In absence of such certificate from the Income-tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.
	4. Copy of the permission received from the RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of the RBI, the Non Resident Public Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.
	5. Where Non Resident Public Shareholder is tax resident of a country which has entered into a Double Tax Avoidance Agreement (“ DTAA ”) with India, it may be possible for the Non Resident Public Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non-Resident Public Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F.
	6. Duly filled Form FC-TRS in Single Master Form issued by the RBI by way of A.P (DIR Series) Circular No.30 of June 07, 2018.

Category	Procedure
Foreign Portfolio Investor (“FPI”)	1. Application Form duly filled and signed by an authorized signatory
	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialized Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.
	3. TCC from the Income Tax Authority
	4. Self-attested SEBI Registration Certificate and also copy of notification issued under section 115AD of the Income Tax Act, 1961, showing name of FPI.
	5. FPI certificate (self-attested declaration certifying the nature of income arising from the sale of shares, whether capital gains or otherwise and also stating their residential status, that that it does not have a permanent establishment in India

Category	Procedure
Foreign Portfolio Investor ("FPI")	6. Certificate from a chartered accountant (along with proof such as demat account statement) certifying that the shares have been held for more than one year along with acquisition cost, if applicable along with broker invoice / contract note evidencing the date on which the shares were acquired.
	7. The Non Resident Eligible Shareholder may also provide a bank certificate certifying inward remittance to avail concessional rate of tax deducted at source for long term capital gains under section 115E of Income Tax Act. 1961.
	8. Copy of the permission received from the RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of the RBI, the Non Resident Public Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.
	9. Where Non Resident Public Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non Resident Public Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non Resident Public Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F.
	10. Duly filled Form FC-TRS in Single Master Form issued by the RBI by way of A.P (DIR Series) Circular No.30 of June 07, 2018.

- (c) The Company will rely on the information provided by the Public Shareholder as to whether the capital asset being equity shares of the Company constitute short-term or long-term capital asset for the Public Shareholder, for the purpose of deduction of tax at source. Where the information provided by the Public Shareholder is ambiguous, incomplete or conflicting or the information is not available with the Company regarding the same, the capital gain shall be assumed to be short-term in nature.
- (d) If any of the documents referred to in this paragraph are not enclosed along with the Non Resident Public Shareholder's Application Form, such Non Resident Public Shareholder's tender of Equity Shares under the Exit Offer may be treated as invalid.

SETTLEMENT

- (a) Following fulfillment of the conditions mentioned herein, and receipt of the requisite regulatory approvals (if any), the applicable consideration will be paid by the Promoter/Acquirer within 15 working days of the date of closing of Delisting offer by way of electronic transfer/ demand draft/ pay order. The demand drafts/ pay orders will be dispatched to the relevant Public Shareholders, at their own risk, by way of speed post / registered post/ courier.
- (b) Public Shareholders should fill up their bank account details in the Application Form. If the Public Shareholder does not provide the said details or if the details provided are different from those received electronically from the Public Shareholder's depository participant, the bank details received electronically from the Public Shareholder's depository participant shall be used for making payment of the consideration. Thus, the Public Shareholders are advised to ensure that bank account details are updated in their respective depository participant accounts as these bank account details would be used for payment of consideration, if any. In case of wrong bank accounts details or unavailability of bank account details or availability of incomplete bank account details of the Public Shareholders, the payment of consideration to the Public Shareholder will be done in the form of a demand draft/pay order in favor of the first/sole Public Shareholder and dispatched by registered post/speed post, at the Eligible Shareholder's sole risk, at the address obtained from the first/sole Public Shareholders' depository participant (however, there will be no obligation on the Acquirer/Promoter or the Manager to the Delisting Offer to do the same).

DELISTING OFFER PERIOD

THE PUBLIC SHAREHOLDERS ARE REQUESTED TO GIVE THEIR CONSENT IN WRITING THROUGH THE SUBMISSION OF APPLICATION FORM AT THE OFFICE OF MANAGER TO THE DELISTING OFFER.

In case, the shareholders wish to tender their shares, they are requested to submit the additional / accompanying documents with the application form at the office of Manager to the Delisting Offer on all working days during normal working hours (excluding public holiday) from Monday, March 30, 2020 to Wednesday, April 15, 2020 (both days inclusive).

IMPORTANT DATES OF DELISTING OFFER

Activity	Tentative Day and Date
Delisting Offer opening date	Monday, March 30, 2020
Delisting Offer closing date	Wednesday, April 15, 2020
Last date of payment of consideration	Thursday, April 30, 2020

If you seek any clarification/information in connection with this Delisting Offer Letter, please consult Manager to the Offer viz: **Keynote Financial Services Limited**. The contact details are as mentioned below:

KEYNOTE

Keynote Financial Services Limited

(Formerly Keynote Corporate Services Limited)

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028

Tel.: +91 22 6826 6000-3, **Contact Person:** Ms. Pooja Sanghvi/ Mr. Shashank Pisat

Yours Sincerely,

Sd/-

Nitesh Kothari

Promoter/Acquirer

Place: Mumbai

Date: March 18, 2020

Encl : Application Form