




LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered Equity Shareholder of **Technocraft Industries (India) Limited** (the "Company") as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager to the Buyback Offer (Kotak Mahindra Capital Company Limited) or the Registrar to the Buyback Offer (Link Intime India Pvt. Ltd). Please refer to the section on 'Definitions' for the definition of the capitalized terms used herein.

Technocraft Industries (India) Limited CIN: L28120MH1992PLC069252 Registered Office: A-25, Technocraft House, MIDC, Marol Industrial Area, Road No. 3, Opp. ESIS Hospital, Andheri (E), Mumbai, 400093 Contact Person: Neeraj Rai, Company Secretary, Tel: +91-22-2836-2222; Fax: +91-22-2836-7037 Email: investor@technocraftgroup.com Website: www.technocraftgroup.com		
CASH OFFER TO BUYBACK NOT EXCEEDING 52,26,750 FULLY PAID-UP EQUITY SHARES OF FACE VALUE Rs.10 EACH, REPRESENTING 16.58% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE I.E. JANUARY 8, 2016, ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" ROUTE AT A PRICE OF Rs. 270/- (RUPEES TWO HUNDRED AND SEVENTY ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT OF Rs. 141,12,22,500/- (RUPEES ONE HUNDRED FORTY ONE CRORE TWELVE LAKH TWENTY-TWO THOUSAND FIVE HUNDRED ONLY)		
<ol style="list-style-type: none">1) The Buyback is in accordance with Article 61 of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act, 2013 and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, BSE Limited, Reserve Bank of India, etc.2) The Buyback Offer Size is 24.11% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015 and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company.3) This Letter of Offer is sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. January 8, 2016.4) The procedure for tender and settlement is set out in paragraph 22 of this Letter of Offer. The Acceptance Form ("Tender Form") is enclosed together with this Letter of Offer.5) For mode of payment of consideration to the Equity Shareholders, please refer to paragraph 22 (20) of Letter of Offer.6) A copy of the Public Announcement issued on December 28, 2015 and this Letter of Offer (including Tender Form) is available on the website of Securities and Exchange Board of India - http://www.sebi.gov.in7) Equity Shareholders are advised to refer to paragraph 18 (Details of Statutory Approvals) and paragraph 23 (Note on Taxation) before tendering their Equity Shares in the Buyback.		
BUYBACK OPENS ON: TUESDAY, FEBRUARY 2, 2016 BUYBACK CLOSSES ON: MONDAY, FEBRUARY 15, 2016 LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR AND TRANSFER AGENT: WEDNESDAY, FEBRUARY 17, 2016		
MANAGER TO THE BUYBACK	REGISTRAR TO THE BUYBACK	
 Kotak Mahindra Capital Company Limited 27BKC, 1 st floor, Plot no. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: +91 22 22 4336 0000 Fax: +91 22 22 6713 2447 Email: project.technobuyback@kotak.com Contact Person: Mr. Ganesh Rane SEBI Registration Number: INM000008704 CIN: U67120MH1995PLC134050	 Link Intime India Private Limited C- 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 Tel: +91 22 6171 5400 Fax: +91 22 2596 0329 Email: technocraft.buyback@linkintime.co.in Contact Person : Mr. Ganesh Mhatre SEBI Registration INR000004058 CIN: U67190MH1999PTC118368	
The Offer is pursuant to SEBI (Buy-Back of Securities) Regulations, 1998 and subsequent amendments as well as in accordance with provisions of Section 68 and all other applicable provisions, if any, of the Companies Act, 2013		

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1. **SCHEDULE OF ACTIVITIES**

Activity	Schedule of activities	
	Date	Day
Date of Board Meeting approving the proposal for the Buyback	November 6, 2015	Friday
Date of declaration of results of postal ballot for special resolution by the Equity Shareholders of the Company, approving the Buyback Offer	December 25, 2015	Friday
Public Announcement of Buyback	December 28, 2015	Monday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	January 8, 2016	Friday
Buyback Opens on	February 2, 2016	Tuesday
Buyback Closes on	February 15, 2016	Monday
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar and Transfer Agent	February 17, 2016	Wednesday
Last date of verification by Registrar	February 23, 2016	Tuesday
Last date of providing Acceptance to the Stock Exchange by the Registrar	February 23, 2016	Tuesday
Last date of settlement of bids on the Stock Exchange	February 25, 2016	Thursday
Last date of dispatch of share certificate(s) by RTA / return of unaccepted demat shares by Stock Exchange to Selling Member	February 25, 2016	Thursday
Last Date of Extinguishment of Shares	March 3, 2016	Thursday

KEY DEFINITIONS

Acceptance Form	Tender Form
Act	The Companies Act, 2013, as amended
Articles	Articles of Association of the Company
Board	Board of Directors of the Company
BSE	BSE Limited
Buyback Committee	Buyback committee comprising of Mr. Sharad Kumar Saraf, Chairman & Managing Director, Mr. Sudarshan Kumar Saraf, Co-Chairman & Managing Director, Mr. Navneet Kumar Saraf, Whole-time Director & COO, Mr. Ashish Kumar Saraf, Whole-time Director & CFO and Mr. Anil Gadodia, President (Accounts & Finance) of the Company, constituted on November 6,2015
Buyback / Offer	Offer to buyback 52,26,750 Equity Shares of Rs. 10/- each of Technocraft Industries (India) Limited at a price of Rs. 270/- per Equity Share in accordance with the Regulations and relevant provisions of the Act via the tender offer route
Buyback Price / Offer Price	Price at which shares will be bought back from the shareholders i.e. Rs. 270/- per Equity Share
Buyback Size / Offer Size	Number of Equity Shares proposed to be bought back multiplied by the Buyback Price i.e. Rs. 141,12,22,500/-
CDSL	Central Depository Services (India) Limited
Closing Date	Monday, February 15, 2016
Company	Technocraft Industries (India) Limited (TIIL)
DP	Depository Participant
Eligible Person(s)	Person(s) eligible to participate in the Buyback and would mean all shareholders (registered and unregistered)/beneficial owners of Shares
Equity Share(s) / Share(s)	The Company's fully paid-up equity share(s) of face value of Rs. 10/- (Rupees Ten) each
Equity Shareholder(s) / Shareholder(s) / Members	Holders of the Equity Shares of the Company
Eligible Person(s)	Person(s) eligible to participate in the Buyback Offer and would mean all equity shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. January 8, 2016
IT Act	Income-tax Act, 1961, as amended
LOF	Letter of Offer
Manager to the Buyback/Offer	Kotak Mahindra Capital Company Limited
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer Period	Period of ten working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Opening Date	Tuesday, February 2, 2016
PA/ Public Announcement	Public announcement regarding the Buyback dated December 28, 2015 issued in English language in Business Standard (English), Business Standard (Hindi) and Navshakti (Marathi)
PAN	Permanent Account Number
RBI	Reserve Bank Of India
Registrar to the Buyback/Offer	Link Intime India Private Limited
Regulations	The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended
SEBI	The Securities and Exchange Board of India

Seller Member / Seller Broker	A Stock broker (who is a member of the BSE) of an Eligible Person, through whom the Eligible Person wants to participate in the Buyback
Small Shareholder	An Equity Shareholder, who holds Equity Shares of market value not more than two lacs rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. January 8, 2016
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom this Letter of Offer will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be January 8, 2016
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
TRS	Transaction Registration Slip

3. **DISCLAIMER CLAUSE**

As required, a copy of this Letter of Offer has been submitted to the Securities and Exchange Board of India.

It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed/construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the offer document. The Manager to the Buyback, Kotak Mahindra Capital Company Limited certifies that the disclosures made in the offer document are generally adequate and are in conformity with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998, as amended. This requirement is to facilitate investors to take an informed decision for tendering their shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, Kotak Mahindra Capital Company Limited has furnished to SEBI a Due Diligence Certificate dated December 30, 2015 in accordance with SEBI (Buy-Back of Securities) Regulations, 1998, which reads as follows:

“We have examined various documents and material papers relevant to the Buyback, as part of the due-diligence carried out by us in connection with the finalisation of the Public Announcement and Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback.
- All legal requirements connected with the said offer including SEBI (Buy-Back of Securities) Regulations, 1998, have been duly complied with.
- The disclosures in the Public Announcement and Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the Buyback.
- Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended”

The filing of offer document with SEBI, does not however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoters/ Directors of the Company declare and confirm that no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/misrepresentation and in the event of it transpiring at any point of time that any information/material has been suppressed/ withheld and/or amounts to a mis-statement/misrepresentation, the promoters/directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998.

Promoters/Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

4. DETAILS OF RESOLUTIONS PASSED AT THE BOARD MEETINGS

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on November 6, 2015. The extracts of the Board resolution are as follows:

“RESOLVED that in accordance with the provisions of the Articles of Association of the Company, Section 68 and other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (**“Buy-back Regulations”**) (including any statutory modification(s) or re-enactment of the Act or Buy-back Regulations, for the time being in force) and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company, and further subject to the shareholder approval, the consent of the Board of Directors of the Company be and is hereby accorded to the buy-back by the Company of its own fully paid equity shares of Rs.10/- each (**“Equity Share”**) not exceeding 52,26,750 Equity Shares, through the **“Tender Offer”** route prescribed under the Buy-back Regulations and the Act, at a price of Rs. 270/- (Rupees Two Hundred Seventy only) per Equity Share (hereinafter referred to as the **“Buyback Offer Price”**), payable in cash for an aggregate amount of Rs.141,12,22,500/- (Rupees One Hundred Forty One Crore Twelve Lakh Twenty-Two Thousand Five Hundred Only) (being less than 25% of the total paid-up equity capital and free reserves of the Company as per latest standalone audited balance sheet as on March 31, 2015), (hereinafter referred to as the **“Buyback Offer Size”**) from the shareholders of the Company on a proportionate basis through the tender offer route in accordance and consonance with the provisions contained in the Buy Back Regulations and the Act (hereinafter referred to as the **“Buyback”**);

RESOLVED FURTHER THAT the Company shall implement the Buyback from out of its securities premium account and other free reserves and that the Buyback shall be through the tender offer route in such manner as may be prescribed under the Act and the Buy-back Regulations and on such terms and conditions as the Board of Directors may deem fit, subject to shareholder’s approval.

RESOLVED FURTHER THAT as required by Regulation 6 of the Buy-back Regulations, the Company shall buyback Equity Shares from the shareholders on a proportionate basis under the Tender Offer, provided 15% of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders at Record Date, whichever is higher, shall be reserved for small shareholders, as defined in the Buyback Regulations.

RESOLVED FURTHER THAT the Buy-back from non-resident shareholders, Overseas Corporate Bodies (OCB’s) Foreign Institutional Investors and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999 and rules and regulations framed there under, if any.

RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board of Directors to buyback any shares and/or impair any power of the Company or the Board of Directors to terminate any process in relation to such Buyback if so permissible by law.

RESOLVED FURTHER THAT the Company shall earmark adequate sources of funds for the purpose of the Buyback.

RESOLVED FURTHER THAT as required under the provision to Section 68(6) of the Act and Regulation 8(7) of the Buyback Regulations, the Declaration of Solvency along with annexures thereof be and is hereby approved for filing with the Registrar of Companies, Maharashtra, Mumbai and Securities and Exchange Board of India after having it verified by an affidavit and signed by any two of the following Directors namely Mr. Sharad Kumar Saraf, Mr. Sudarshan Kumar Saraf, Mr. Navneet Kumar Saraf, and Mr. Ashish Kumar Saraf, who are hereby authorized to sign the same.

RESOLVED FURTHER THAT a Buyback Committee comprising of Mr. Sharad Kumar Saraf, Chairman & Managing Director, Mr. Sudarshan Kumar Saraf, Co-Chairman & Managing Director, Mr. Navneet Kumar Saraf, Whole-time Director & COO, Mr. Ashish Kumar Saraf, Whole-time Director & CFO and Mr. Anil Gadodia, President (Accounts & Finance) of the Company be and is hereby constituted and the powers of the Board in respect of Buyback be delegated to the Committee (**“Buyback Committee”**) and each member of the Buyback Committee are hereby severally authorized to do all such acts, deeds and things

as may be necessary, expedient or proper with regard to the implementation of the buyback, including, but not limited to, the following:

1. The appointment of Merchant Bankers, Registrars, Broker, DP, Printers, Advertisement Agency, Compliance Officer and other Advisors, Consultants or Representatives
2. The initiating of all necessary actions for preparation of postal ballot notice along with explanatory statement and seek shareholder approval for the Buy-back
3. The initiating of all necessary actions for preparation and issue of Public Announcement, Letter of Offer and related documents
4. The filing of Public Announcement, Letter of Offer, related documents and also the certificates for Declaration of Solvency
5. The making of all applications to the appropriate authorities for their requisite approvals
6. Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback
7. The opening, operation and closure of cash Escrow Account and Special Account in accordance with the Escrow Agreement
8. The opening, operation and closure of demat Escrow Account in accordance with the DP Escrow Agreement
9. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back
10. To sign the documents as may be necessary with regard to the Buyback and use the Common Seal of the Company on relevant documents required to be executed for the Buyback of shares
11. Extinguishment of share certificates and Certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Board
12. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper
13. Sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buyback
14. Execution of documents under the Common Seal of the Company as may be required;
15. To delegate all or any of the authorities conferred as above to any Officer(s) / Authorized Representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate authorities or Advisors”.

RESOLVED FURTHER THAT the Buy-back Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any officer(s) and/or representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegation / sub-delegation of authority from time to time.

RESOLVED FURTHER THAT the quorum for a meeting of the Buy-back Committee shall be presence of any two members and Buy-back Committee may regulate its own proceedings and meet as often as required, to discharge its functions.

RESOLVED FURTHER THAT the Company Secretary of the Company shall act as a Secretary to the Buy-back Committee.

RESOLVED FURTHER THAT the Buy-back Committee do report from time to time to the Board at the meeting of the Board, status/progress of actions taken by the Buy-back Committee concerning buyback and the minutes of meeting(s) of the Buy-back Committee held in the intervening period of two successive meetings of the Board shall be put up at the subsequent meeting of the Board.

RESOLVED FURTHER THAT in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations 1998, Kotak Mahindra Capital Company Limited be appointed as Merchant Banker for the proposed buyback transaction

RESOLVED FURTHER THAT the Company must create an Escrow Account with Kotak Mahindra Bank, a scheduled commercial bank for a sum of ~Rs. 35.28 Cr being 25% of the Buyback Offer Size placed in the said Escrow Account by way of a deposit before the release of the Public Announcement in compliance with the requirements of the Buyback Regulations.

RESOLVED FURTHER THAT the Board confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion –

1. That immediately following the date of Board Meeting held on November 6, 2015, there will be no grounds on which the Company can be found unable to pay its debts.
2. That as regards the Company's prospects for the year immediately following that date and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date
3. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities)

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) All the equity shares for Buyback are fully paid-up;
- b) That the Company has noted that the Company shall not issue and allot any Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, till the date of closure of this Buyback;
- c) That the Company, as per provisions of Section 68(8) of the Companies Act, shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buyback except by way of bonus shares or equity shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- d) That the Company shall not buyback its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- e) That there are no defaults subsisting in the repayment of Deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- f) that funds borrowed from Banks and Financial Institutions will not be used for the Buyback;
- g) that the aggregate amount of the Buyback i.e. Rs. 14,112.23 Lacs does not exceed 25% of the total paid-up equity capital and free reserves of the Company as on March 31, 2015;
- h) that the maximum number of shares proposed to be purchased under the Buyback i.e. 52,26,750 Equity Shares, does not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on March 31, 2015;
- i) That the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.

Declaration of Solvency

RESOLVED FURTHER THAT as required by sub-section 6 of section 68 of the Act, a Declaration of Solvency duly signed and verified by any two of Mr. Sharad Kumar Saraf, Mr. Sudarshan Kumar Saraf, Mr. Navneet Kumar Saraf, or Mr. Ashish Kumar Saraf be filed with the Registrar of Companies and with the Securities and Exchange Board of India, subject to compliance with the provision of the said section.

RESOLVED FURTHER Mr. Sharad Kumar Saraf, Chairman & Managing Director and Mr. Sudarshan Kumar Saraf, Co-Chairman & Managing Director of the Company be and are hereby authorized to make changes in the Declaration of Solvency as may be necessary, to sign and to file the same with the Registrar of Companies and with the Securities and Exchange Board of India.

5. DETAILS OF PUBLIC ANNOUNCEMENT

The Public Announcement dated December 28, 2015 was made in the following newspapers, in accordance with Regulation 8(1) of the Buyback Regulations, within two working days from the date of passing the resolution by the shareholders of the Company approving the Buyback through tender offer:

Publication	Language	Editions
Business Standard	English	All editions
Business Standard	Hindi	All editions
Navshakti	Marathi	Mumbai edition

The Public Announcement is available on the SEBI website at www.sebi.gov.in

6. DETAILS OF THE BUYBACK OFFER

1. The Board of Directors of **Technocraft Industries (India) Limited**, at its meeting held on November 6, 2015 has approved the proposal for the buyback of the Company's equity shares and has sought approval from the shareholders of the company, by a special resolution, through the Postal Ballot Notice dated November 6, 2015, the results of which were announced on December 25, 2015. Through the Postal Ballot the shareholders of the Company have approved, by a special resolution, the buyback of the Company's fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten) each from the existing shareholders / beneficial owners, on a proportionate basis, through the tender offer process pursuant to Article 61 of the Articles of Association of the Company and in accordance with Sections 68 and all other applicable provisions of the Companies Act, 2013 and the Buyback Regulations, at a price of Rs. 270/- (Rupees Two Hundred and Seventy Only) per Equity Share payable in cash, for an aggregate of Rs. 141,12,22,500/- (Rupees One Hundred Forty One Crore Twelve Lakhs Twenty-Two Thousand Five Hundred Only). The Buyback Price per Equity Share and the Buyback Size do not include transaction costs including brokerage costs, securities transaction taxes, service tax, and stamp duty.
2. In terms of the Regulations, under tender offer route, the promoters have the option to participate in the Buyback. In this regard, promoter and promoter group have informed the Company vide their letter dated November 6, 2015 regarding their intention to participate in the Buyback. The extent of their participation in the Buyback has been detailed in paragraph 9(4) of this Letter of Offer.
3. The Buyback Offer price of Rs. 270/- (Rupees Two Hundred Seventy only) per Equity Share represents a premium of 43.6% and 44.3% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback and 33.2% and 33.0% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 2 weeks preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback.
4. The aggregate paid-up share capital and free reserves of the Company as on March 31, 2015 was Rs. 585.40 crore and under the provisions of the Act, the funds deployed for Buyback shall not exceed 25% of the paid-up capital and free reserves of the Company under Shareholder approval route. Accordingly, the maximum amount that can be utilised in the present Buyback is Rs. 146.35 crore. The aggregate amount proposed to be utilised for the Buyback is Rs. 141.12 crore, which is within the maximum amount as aforesaid.
5. Further, under the Act, the number of equity shares that can be bought back during the financial year shall not exceed 25% of the paid-up equity shares of the Company. Accordingly, the number of equity shares that can be bought back during the financial year cannot exceed 78,81,687 equity shares being 25% of 3,15,26,750 equity shares of face value of Rs. 10/- each as per the audited balance sheet as on March 31, 2015. Since the Company proposes to Buy-back up to 52,26,750 equity shares, the same is within the aforesaid 25% limit.
6. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights

of the promoter group in the Company may increase over the existing 74.97% holding in the total equity capital and voting rights of the Company. The promoter group of the Company is already in control over the Company and therefore such further increase in voting rights of the promoter group will not result in any change in control over the Company. The promoter group has undertaken that in case there is an increase in voting rights of the promoter group beyond 75%, necessary steps will be taken to reduce the shareholding of the promoter group in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, so that the Company is in due compliance of the Minimum Public Shareholding requirement. The Company and the promoters have undertaken to comply with the Minimum Public Shareholding requirements even after the Buyback. Further, the promoters and promoter group confirm that they have not voted in favour of the resolutions authorizing the Buyback under sections 68, 69 and 70 of the Companies Act, 2013.

7. A copy of this Letter of Offer is expected to be available on the Securities and Exchange Board of India (“SEBI”) website www.sebi.gov.in during the period of the Buyback
8. The Company will adopt the Tender Offer route for the purpose of Buyback. The Buyback will be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

7. **AUTHORITY FOR THE BUYBACK**

The Buyback is in accordance with Article 61 of the Articles of Association of the Company, Sections 68 and all other applicable provisions, if any, of the Companies Act and Regulation 4(1)(a) and other applicable provisions of the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchanges etc. On November 6, 2015, the Board of Directors passed a resolution to buyback Equity Shares of the Company and sought approval from the shareholders of the Company, by a special resolution, through the Postal Ballot Notice dated November 6, 2015, the results of which were announced on December 25, 2015. Through the Postal Ballot the shareholders of the Company have approved, by a special resolution, the buyback of the Company’s fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten Only) each from the existing shareholders / beneficial owners, on a proportionate basis, through the tender offer process.

8. **NECESSITY FOR BUYBACK**

Share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the Members holding equity shares of the Company. The Board at its meeting held on November 6, 2015, considered the increase in accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ending March 31, 2015 and considering these, the Board decided to allocate a sum of Rs.141,12,22,500 (Rupees One Hundred Forty One Crore Twelve Lakh Twenty-Two Thousand Five Hundred only) for distributing to the Members holding equity shares of the Company through the Buyback. After considering several factors and benefits to the Members holding equity shares of the Company, the Board decided to recommend Buyback of not exceeding 52,26,750 (Fifty-Two Lakh Twenty-Six Thousand Seven Hundred and Fifty only) equity shares (representing 16.58% of the total number of equity shares in the paid-up equity share capital of the Company) at a price of Rs. 270/- (Rupees Two Hundred Seventy only) per equity share for an aggregate consideration of Rs.141,12,22,500/- (Rupees One Hundred Forty One Crore Twelve Lakh Twenty-Two Thousand Five Hundred Only). Buyback is a more efficient form of distributing surplus cash to the Members holding equity shares of the Company, inter-alia, for the following reasons:

1. The Buyback will help the Company to distribute surplus cash to its Members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Members;
2. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”;

3. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
4. The Buyback gives an option to the Members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment;
5. The Buyback Offer price of Rs. 270/- (Rupees Two Hundred Seventy only) per Equity Share represents a premium of 43.6% and 44.3% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback and 33.2% and 33.0% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 2 weeks preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback

9. **MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUYBACK ON THE COMPANY**

1. The Buyback is not likely to cause any impact on the profitability of the Company, except the loss of other income, if any, on the amount of cash to be utilized for the Buyback.
2. The Buyback is not expected to impact growth opportunities for the Company.
3. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
4. In terms of the Buyback Regulations, under the Tender Offer route, the promoters of the Company have the option to participate in the Buyback. In this regard, the promoter and promoter group above have expressed their intention vide their letter dated November 6, 2015, to participate in the Buyback and offer up to an aggregate maximum of 52,26,789 Equity Shares as mentioned below or any such lower number of shares as required in compliance with the Buyback Regulations/terms of the Buyback.

Details of the date and price of acquisition of the Equity Shares that promoters intend to tender are set-out below:

Mr. Sharad Kumar Saraf

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
19.03.1994	78	780	-	Amalgamation
01.09.1994	7,020	7,020	Nil	Bonus
07.10.1994	35,490	3,54,900	Nil	Bonus
05.01.1998	17,815	1,78,150	10/-	Transfer
06.03.2002	(6,040)	(60,400)	218/-	Buyback
27.06.2002	(8,155)	(81,550)	238/-	Buyback
07.02.2003	(818)	(8,180)	305/-	Buyback
11.03.2003	13,972	1,39,720	Nil	Bonus
10.03.2005	59,362	5,93,620	Nil	Bonus
28.02.2006	89,043	8,90,430	Nil	Bonus
18.11.2008	7,395	73,950	22.00	Open Market
19.11.2008	6,891	68,910	22.91	Open Market
20.11.2008	2,077	20,770	22.91	Open Market

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
21.11.2008	672	6,720	22.80	Open Market
24.11.2008	-	-	-	Open Market
26.11.2008	65,000	650,000	27.25	Open Market
28.01.2009	15,000	150,000	23.17	Open Market
28.01.2009	5,000	50,000	23.00	Open Market
29.01.2009	25,000	250,000	22.75	Open Market
30.01.2009	25,000	250,000	22.25	Open Market
03.02.2009	24,800	248,000	22.50	Open Market
04.02.2009	24,999	249,990	22.75	Open Market
06.02.2009	13,479	134,790	22.50	Open Market
11.08.2015	107,281	1,072,810	NIL	Transmission – Partition of HUF
Total (#)	530,361			
Maximum # of Equity Shares intended to be tendered				Up to 117,279

Mr. Sudarshan Kumar Saraf

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
28.10.1992	3,450	34,500	10	Cash
19.03.1994	63	630	NIL	Amalgamation
01.09.1994	316,170	3,161,700	NIL	Bonus
07.10.1994	1,598,415	15,984,150	NIL	Bonus
16.02.1998	830,888	8,308,880	10	Rights Issue
09.10.1999	(307,420)	(3,074,200)	NIL	Transfer (Gift)
06.03.2002	(244,157)	(2,441,570)	218	Buyback
27.06.2002	(331,486)	(3,314,860)	238	Buyback
07.02.2003	(1,060)	(10,600)	305	Buyback
11.03.2003	574,038	5,740,380	NIL	Bonus
10.03.2005	2,438,901	24,389,010	NIL	Bonus
28.02.2006	3,658,351	36,583,510	NIL	Bonus
18.11.2008	7,112	71,120	22	Open Market
19.11.2008	8,449	84,490	23	Open Market
20.11.2008	2,460	24,600	23	Open Market
21.11.2008	13	130	23	Open Market
24.11.2008	1	10	23	Open Market
26.11.2008	65,742	657,420	27	Open Market
28.01.2009	5,000	50,000	23	Open Market
28.01.2009	15,496	154,960	23	Open Market
29.01.2009	25,000	250,000	23	Open Market
30.01.2009	24,594	245,940	22	Open Market
03.02.2009	25,000	250,000	23	Open Market
04.02.2009	24,500	245,000	23	Open Market
06.02.2009	11,132	111,320	23	Open Market
11.08.2015	107,280	1,072,800	NIL	Transmission – Partition of HUF
Total (#)	8,857,932			
Maximum # of Equity Shares intended to be tendered				Up to 1,958,793

Ms. Shakuntala Saraf

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
28.10.1992	3,450	34,500	10/-	Cash
19.03.1994	75	750	-	Amalgamation
01.09.1994	3,17,250	31,72,500	Nil	Bonus
07.10.1994	16,03,875	1,60,38,750	Nil	Bonus
06.03.2002	(1,92,465)	(19,24,650)	218/-	Buyback
27.06.2002	(2,59,828)	(25,98,280)	238/-	Buyback
11.03.2003	4,53,218	45,32,180	Nil	Bonus
10.03.2005	19,25,575	1,92,55,750	Nil	Bonus
28.02.2006	28,88,362	2,88,83,620	Nil	Bonus
Total (#)	6,739,512			
Maximum # of Equity Shares intended to be tendered				Up to 1,490,307

Ms. Shantidevi Saraf

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
28.10.1992	1,475	14,750	10/-	Cash
19.03.1994	75	750	-	Amalgamation
01.09.1994	1,39,500	13,95,000	Nil	Bonus
07.10.1994	7,05,250	70,52,500	Nil	Bonus
06.03.2002	(84,630)	(8,46,300)	218/-	Buyback
27.06.2002	(1,14,251)	(11,42,510)	238/-	Buyback
11.03.2003	1,99,287	1,99,28,70	Nil	Bonus
10.03.2005	8,46,706	84,67,060	Nil	Bonus
28.02.2006	12,70,059	1,27,00,590	Nil	Bonus
27.01.2015	94,759	947,590	Nil	Transmission of shares of Late Shri Madhoprasad Saraf, promoter of the company, to his wife
Total (#)	3,058,230			
Maximum # of Equity Shares intended to be tendered				Up to 676,266

Sharad Kumar Madhoprasad Saraf HUF

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
28.10.1992	1,475	14,750	10/-	Cash
01.09.1994	132750	1327500	Nil	Bonus
07.10.1994	671125	6711250	Nil	Bonus
05.01.1998	(17,815)	(178150)	10/-	Transfer
06.03.2002	(66,086)	(660860)	218/-	Buyback
27.06.2002	(93,370)	(933700)	238/-	Buyback
11.03.2003	193334	1933340	Nil	Bonus
10.03.2005	821413	8214130	Nil	Bonus
28.02.2006	1232120	12321200	Nil	Bonus
Total (#)	2,874,946			
Maximum # of Equity Shares intended to be tendered				Up to 635,736

Ms. Suman Saraf

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
19.03.1994	80	800	-	Amalgamation
01.09.1994	7,200	72,000	Nil	Bonus
07.10.1994	36,400	3,64,000	Nil	Bonus
06.03.2002	(4,368)	(43,680)	218/-	Buyback
27.06.2002	(5,897)	(58,970)	238/-	Buyback
11.03.2003	10,286	1,02,860	Nil	Bonus
10.03.2005	43,701	4,37,010	Nil	Bonus
28.02.2006	65,552	6,55,520	Nil	Bonus
Total (#)	1,52,954			
Maximum # of Equity Shares intended to be tendered				Up to 33,823

Sudarshan Kumar Madhoprasad Saraf HUF

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
28.10.1992	50	500	10/-	Cash
19.03.1994	1	10	-	Amalgamation
01.09.1994	4,590	45,900	Nil	Bonus
07.10.1994	23,205	2,32,050	Nil	Bonus
06.03.2002	(2,785)	(27,850)	218/-	Buyback
27.06.2002	(3,759)	(37,590)	238/-	Buyback
11.03.2003	6,557	65,570	Nil	Bonus
10.03.2005	27,859	2,78,590	Nil	Bonus
28.02.2006	41,788	4,17,880	Nil	Bonus
Total (#)	97,506			
Maximum # of Equity Shares intended to be tendered				Up to 21,561

Ms. Ritu Saraf

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
17.06.1993	50	500	10/-	Transfer from Eskidee Metal Crafts Pvt Ltd (Cash)
19.03.1994	25	250	-	Amalgamation
01.09.1994	6,750	67,500	Nil	Bonus
07.10.1994	34,125	3,41,250	Nil	Bonus
06.03.2002	(4,095)	(40,950)	218/-	Buyback
27.06.2002	(20,375)	(2,03,750)	238/-	Buyback
07.02.2003	(400)	(4,000)	305/-	Buyback
08.03.2003	4,950	49,500	Nil	Bonus
10.03.2005	21,030	2,10,300	Nil	Bonus
01.03.2006	31,545	3,15,450	Nil	Bonus
Total (#)	73,605			
Maximum # of Equity Shares intended to be tendered				Up to 16,276

Mr. Navneet Kumar Saraf

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
19.03.1994	25	250	-	Amalgamation
01.09.1994	2,250	22,500	Nil	Bonus
07.10.1994	11,375	1,13,750	Nil	Bonus
09.10.1999	3,07,420	30,74,200	Nil	Transfer (Gift)
06.03.2002	(32,107)	(3,21,070)	218/-	Buyback
27.06.2002	(43,345)	(4,33,450)	238/-	Buyback
08.03.2003	75,605	7,56,050	Nil	Bonus
10.03.2005	3,21,223	32,12,230	Nil	Bonus
01.03.2006	4,81,834	48,18,340	Nil	Bonus
Total (#)	1,124,280			
Maximum # of Equity Shares intended to be tendered				Up to 248,612

Mr. Ashish Kumar Saraf

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
19.03.1994	37	370	-	Amalgamation
01.09.1994	3,330	33,300	Nil	Bonus
07.10.1994	16,835	1,68,350	Nil	Bonus
06.03.2002	(2,020)	(20,200)	218/-	Buyback
27.06.2002	(2,727)	(27,270)	238/-	Buyback
08.03.2003	4,757	47,570	Nil	Bonus
10.03.2005	20,212	2,02,120	Nil	Bonus
01.03.2006	30,318	3,03,180	Nil	Bonus
Total (#)	70,742			
Maximum # of Equity Shares intended to be tendered				Up to 15,643

Ms. Nidhi Saraf

Date	# of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration
10.10.2001	12,500	1,25,000	Nil	Transfer (Gift)
07.02.2003	(158)	(1,580)	305/-	Buyback
08.03.2003	3,799	37,990	Nil	Bonus
10.03.2005	16,141	1,61,410	Nil	Bonus
01.03.2006	24,212	2,42,120	Nil	Bonus
Total (#)	56,494			
Maximum # of Equity Shares intended to be tendered				Up to 12,493

5. The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.
6. Consequent to the Buyback and based on the number of shares bought back within each category of shareholders, the shareholding pattern of the Company would undergo a change.
7. The aggregate shareholding of the promoter group, directors of the promoter group companies and directors of the Company is 2,36,36,562 Shares, comprising 74.97% of the equity share capital of the Company as on September 30, 2015 as shown below

Sr. No	Name of Shareholder	No. of Shares held	Percentage
1	Ashish Kumar Saraf	70,742	0.22%
2	Navneet Kumar Saraf	11,24,280	3.57%
3	Nidhi Saraf	56,494	0.18%
4	Ritu Saraf	73,605	0.23%
5	Shakuntala Saraf	67,39,512	21.38%
6	Shantidevi Saraf	30,58,230	9.7%
7	Sharad Kumar Saraf	5,30,361	1.68%
8	Sharad Kumar Madhoprasad Saraf HUF	28,74,946	9.12%
9	Sudarshan Kumar Saraf	88,57,932	28.1%
10	Sudarshan Kumar Madhoprasad Saraf HUF	97,506	0.31%
11	Suman Saraf	1,52,954	0.49%
	Total (#)	2,36,36,562	74.97%

None of the Directors or key managerial personnel of the Company hold any Equity Shares in the Company except for the following:

Sr. No	Shareholding of each Directors & each Key Managerial Personnel	No. of Shares held	Percentage
1	Sharad Kumar Saraf	5,30,361	1.68%
2	Sudarshan Kumar Saraf	88,57,932	28.1%
3	Ashish Kumar Saraf	70,742	0.22%
4	Navneet Kumar Saraf	11,24,280	3.57%

As mentioned in clause 4 of section IX, Mr. Sharad Kumar Saraf, Mr. Sudarshan Kumar Saraf, Mr. Ashish Kumar Saraf and Mr. Navneet Kumar Saraf intend to participate in the Buyback and tender an aggregate maximum number of 2,340,327 Equity Shares or such lower number of shares as required in compliance with the Buyback Regulations/terms of the Buyback.

8. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoter group in the Company may increase over the existing 74.97% holding in the total equity capital and voting rights of the Company. The promoter and promoter group of the Company are already in control over the Company and therefore such further increase in voting rights of the promoter group will not result in any change in control over the Company. The promoter group has undertaken that in case there is an increase in voting rights of the promoter group beyond 75%, necessary steps will be taken to reduce the shareholding of the promoter group in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, so that the Company is in due compliance of the Minimum Public Shareholding requirement. The Company and the promoters have undertaken to comply with the Minimum Public Shareholding requirements even after the Buyback.
9. Further, the promoters and promoter group confirm that they have not voted in favour of the resolutions authorizing the Buyback under sections 68, 69 and 70 of the Companies Act, 2013.
10. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Promoters and Promoter Group, post Buyback may increase to 76.39% from 74.97% pre Buyback, and the aggregate shareholding of the public in the Company shall decrease to 23.61% post Buyback from 25.03% pre Buyback.

11. Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding would undergo a change.
12. The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance).
13. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
14. The Company shall not raise further capital for a period of one year from the closure of Buyback except in discharge of its subsisting obligations.
15. Salient financial parameters consequent to the Buyback based on the latest audited results are as under:

	Pre Buyback*	Post Buyback*
Net Worth (Rs. Lacs) ^a	58,560.52	44,448.30
Return on Net Worth/ Return on Equity (%) ^b	17.36%	22.87%
Basic Earnings per Share - Basic (Rs) ^c	22.16	26.57
Book value per Share/ NAV per Share (Rs) ^d	185.75	169.00
P/E based on PAT as per the latest audited financial result (Rs.) ^e	11.34	9.46
Debt-Equity Ratio ^f	0.27	0.36

a. Excludes revaluation reserve of Rs.208.96 Lakhs; based on audited financials as of Mar 31, 2015

b. Return on Networth = Profit before tax/ Networth; Profit before tax based on audited financials for the fiscal FY2015; Networth based on audited financials as of Mar 31, 2015 and excludes revaluation reserves.

c. Earnings per share = Profit after Tax/Equity Share Capital; Profit after Tax based on the audited financials for the fiscal FY15

d. Book Value per Share = Networth / Equity Share Capital; Networth based on the audited financials as of Mar 31, 2015 and excludes revaluation reserves

e. P/E ratio based on the closing market price as on December 28, 2015, the date of publication of Public Announcement i.e. Rs. 251.30 (BSE) and Earnings per Share based on the audited financials for the fiscal FY15

f. Debt-Equity ratio = Total Debt (including current maturities of Long-term debt / Networth based on the audited financials as of Mar 31, 2015; Networth excludes revaluation reserves.

* Pre and Post Buyback calculations are based on audited financials as of March 31, 2015

10. BASIS OF CALCULATING BUYBACK PRICE

The equity shares of the Company are proposed to be bought back at a price of Rs. 270/- (Rupees Two Hundred Seventy only) per equity share (the “**Buyback Offer Price**”). The Buyback Offer Price has been arrived at after considering various factors such as the average closing prices of the equity shares of the Company on BSE and NSE where the equity shares of the Company are listed, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer price of Rs. 270/- (Rupees Two Hundred Seventy only) per Equity Share represents a premium of 43.6% and 44.3% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback and 33.2% and 33.0% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 2 weeks preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback

11. SOURCES OF FUNDS

1. Assuming full acceptance, the funds that would be deployed by the Company for the purposes of the Buyback, would be Rs. 141,12,22,500/- (Rupees One Hundred Forty One Crore Twelve Lakhs Twenty-Two Thousand Five Hundred Only).

2. The funds for Buyback will be available from cash balances available with the Company and /or liquidation of financial instruments held by the Company that have been generated through internal accruals. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Thus, borrowed funds will not be used for the Buyback. The cost of financing the Buyback would be notional loss in other income, if any. However, if required, the Company may borrow funds in the ordinary course of its business.

12. DETAILS OF ESCROW ACCOUNT AND AMOUNT TO BE DEPOSITED THEREIN

The Company has opened an escrow account in accordance with Regulation 10 of the Regulations in the form of cash deposit of a sum of Rs.29,11,22,250 (Rupees Twenty Nine Crore Eleven Lakhs Twenty Two Thousand Two Hundred and Fifty only) ("**Escrow Amount**") with Kotak Mahindra Bank Limited ("**Bank**"), with directions to the Bank to act on the instructions of the Manager to the Buyback. This amount of cash deposited is equal to the amount required to be deposited in terms of the Buyback Regulations. This has been confirmed vide a confirmation letter dated December 21, 2015 issued by the Bank.

13. FIRM FINANCING ARRANGEMENTS

1. The Company, duly authorized by its Buyback Committee, has identified and earmarked specific investments for the purpose of fulfillment of the obligations of the Company under the Buyback. Such investments, together with funds provided for escrow arrangements, are in excess of the Buyback Size.
2. Based on the resolution of the Buyback Committee dated December 16, 2015 in this regard, and other facts/documents, Mr. Ashok Mistry, Proprietor of M/s Ashok Mistry & Co., (Membership number 148215), Chartered Accountants, have certified, vide their letter dated December 21, 2015 that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback.
3. The Manager to the Buyback, having regard to the above, confirms that firm arrangements for fulfilling the obligations under the Buyback are in place.

14. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

1. The capital structure as on September 30, 2015 is as follows:

	Pre Buyback (Rs. Lacs)
Authorised Share Capital	
4,00,00,000 Equity Shares of Rs. 10/- each	4,000.00
Issued, Subscribed and Paid-Up Share Capital	
3,15,26,750 fully paid-up Equity Shares of Rs. 10/- each	3,152.68

2. Assuming full acceptance in the Buyback the capital structure post Buyback would be as follows:

	Post Buyback (Rs. Lacs)
Authorised Share Capital	
4,00,00,000 Equity Shares of Rs. 10/- each	4,000.00
Issued, Subscribed and Paid-Up Share Capital	
2,63,00,000 fully paid-up Equity Shares of Rs. 10/- each	2,630.00

3. There are no partly paid-up Shares of the Company.
4. There are no outstanding instruments convertible into Shares.
5. The Company shall not issue and allot any Shares including by way of bonus or convert any ESOPs into Shares, from the date of Public Announcement till the date of closure of this Buyback.

6. There have been no other buyback programmes of the Company over the last 3 years from the date of the Letter of Offer
7. The shareholding pattern of the Company as on January 8, 2016 (Record Date) as well as post Buyback shareholding, are as shown below:

Particulars	Number of Shares	% to existing share capital	No. of Shares post Buyback*	% holding post Buyback*
Promoter Group	23,636,562	74.97	20,090,042	76.39
Foreign Investors (GDRs/OCBs/FIIs/NRIs/Non-residents/Non-domestic companies)	1,104,514	3.50		
Indian Financial Institutions/Banks/Mutual Funds/Govt. Companies	199,500	0.63	6,209,958	23.61
Public including other Bodies Corporate	6,586,174	20.89		
Total	31,526,750	100.00	26,300,000	100.00

* Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement

8. No Equity Shares of the Company have been purchased/sold by any member of the Promoter/Promoter Group, directors and key managerial personnel of the Company during the period from twelve months preceding the date of the Board Meeting at which the Buyback was approved and from the date of the Board Meeting till the date of this Letter of Offer, except for the following transactions:

Name of promoter Group	Date of purchase/transfer	# of Equity Shares purchased	Details of transfer
Ms. Shantidevi Saraf			
Ms. Shantidevi Saraf	27.01.2015	94,759	Transmission of shares of Late Shri Madhoprasad Saraf, promoter of the company, to his wife
Mr. Sharad Kumar Saraf			
Mr. Sharad Kumar Saraf	11.08.2015	107,281	Transmission – Partition of Madhoprasad Shanati Devi Saraf HUF
Mr. Sudarshan Kumar Saraf			
Mr. Sudarshan Kumar Saraf	11.08.2015	107,280	Transmission – Partition of Madhoprasad Shanati Devi Saraf HUF
Shri Madhoprasad Saraf			
Shri Madhoprasad Saraf	27.01.2015	(94,759)	Transmission of shares of Late Shri Madhoprasad Saraf, promoter of the company, to his wife
Madhoprasad Shanati Devi Saraf HUF			
Madhoprasad Shanati Devi Saraf HUF	11.08.2015	(107,281)	Transmission to Mr. Sharad Kumar Saraf following partition of Madhoprasad Shanati Devi Saraf HUF
Madhoprasad Shanati Devi Saraf HUF	11.08.2015	(107,280)	Transmission to Mr. Sudarshan Kumar Saraf following partition of Madhoprasad Shanati Devi Saraf HUF

9. Assuming full acceptance of the Buyback, the issued, subscribed and paid up equity share capital of the Company would be Rs. 2,630 Lacs comprising 2,63,00,000 Shares of Rs. 10/- each as more fully set out in clause 14 (2) of this Letter of Offer.
10. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

15. BRIEF INFORMATION ABOUT THE COMPANY

1. The Company was incorporated on October 28, 1992 under the Companies Act, 1956 as Technocraft Industries (India) Limited. The registered office of the Company is located at Technocraft House,; A-25, Technocraft House, MIDC, Marol Industrial Area, Road No. 3, Opp. ESIS Hospital, Andheri (E), Mumbai 400 093.
2. The paid up equity share capital of the Company for the year ended March 31, 2015 was Rs 3,152.68 Lacs and the reserves and surplus for the year ended March 31, 2015 were Rs 55,616.80 Lacs.
3. The Company is a diversified industrial group, and is one of the major players in global steel drum closures, scaffolding and formworks industries
4. It is headquartered in Mumbai and has presence in ~10 countries and exports to ~80 countries
5. The shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), in India.
6. Following is the share capital history of the Company since inception:

Date of Allotment	# of shares	Face Value (Rs.)	Issue Price (Rs.)	Value (Rs.)	Consi-deration	Nature of Allotment	Cumulative		
							# of Shares	Paid up Capital	Share Premium
28.10.1992	10,000	10/-	10/-	1,00,000	Cash	Subscribed at the time of incorporation of Company	10,000	1,00,000	Nil
19.03.1994	622	10/-	Nil	6,220	Amalga-mation	*As per the Scheme of Amalgamation	10,622	1,06,220	Nil
01.09.1994	9,55,980	10/-	Nil	95,59,800	Bonus	Bonus Shares issued in ratio 90:1	966,602	96,66,020	Nil
07.10.1994	48,33,010	10/-	Nil	4,83,30,100	Bonus	Bonus Shares issued in ratio 5:1	5,799,612	5,79,96,120	Nil
16.02.1998	8,30,888	10/-	10/-	83,08,880	Cash	Right Shares issued in ratio 15:100	6,630,500	66,30,50,000	Nil
06.03.2002	6,63,050	10/-	218/-^	14,45,44,900	Cash	Buyback of shares	5,967,450	5,96,74,500	Nil
27.06.2002	8,95,118	10/-	238/-^	21,30,38,084	Cash	Buyback of shares	50,72,332	5,07,23,320	Nil
07.02.2003	2,436	10/-	305/-^	7,42,980	Cash	Buyback of shares	50,69,896	5,06,98,960	Nil
11.03.2003	15,60,604	10/-	Nil	1,56,06,040	Bonus	Bonus Shares issued in ratio 0.31:1	66,30,500	6,63,05,000	Nil
10.03.2005	66,30,500	10/-	Nil	6,63,05,000	Bonus	Bonus Shares issued in ratio 1:1	1,32,61,000	13,26,10,000	Nil
28.02.2006	99,45,750	10/-	Nil	9,94,57,500	Bonus	Bonus Shares issued in ratio 3:4	2,32,06,750	23,20,67,500	Nil
27.01.2007	83,20,000	10/-	105/-	87,36,00,000	Cash	IPO	3,15,26,750	31,52,67,500	79,04,00,000
Total	3,15,26,750			31,52,67,500					

Note: ^ Buyback Price; * Merger of Eskiedee Metal Crafts Pvt Ltd and Technocraft Fabricators (Bombay) Ltd at a consideration of 1 equity shares of Technocraft Industries Ltd for 40 equity shares held by members of Eskiedee Metal Crafts Pvt Ltd and 1000 equity shares held by members of Technocraft Fabricators (Bombay) Ltd respectively.

7. The Board of Directors of the Company comprises the following:

Name	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships
Mr. Sharad Kumar Saraf	Chairman & Managing Director	Electronic Engineer from IIT, Mumbai	February 06, 2015	<ul style="list-style-type: none"> • Technosoft Engineering Projects Ltd • BMS Industries Limited • Manglam Organic Limited • Cotton Association of India • The Council of EU Chamber of Comm. • Confederation of Indian Textile Industry • Technocraft Tabla Formwork System Pvt. Ltd. • Anhui Reliable Steel Technology Co Ltd • Technocraft international, UK • Shreyan Infra & Power LLP (Partner) • M.T. Information (Firm - Partner)
Mr. Sudarshan Kumar Saraf	Co-Chairman & Managing Director	Electronic Engineer from IIT, Mumbai	February 06, 2015	<ul style="list-style-type: none"> • Ashrit Holdings Limited • Technosoft Engineering Projects Ltd • BMS Industries Limited • Shreyan Infra & Power LLP (Partner) • Ashrit Infrastructure & Developers LLP (Partner) • Impact Engineering Inc. • Anhui Reliable Steel Technology Co Ltd • M.T. Information (Firm – Partner)
Mr. Navneet Kumar Saraf	Whole-time Director	B.E.(Mech.) From University of Manchester	February 06, 2015	<ul style="list-style-type: none"> • BMS Industries Ltd. • Technocraft Tabla Formwork System Pvt. Ltd • M.D. Saraf Securities Pvt. Ltd • Ashrit Holdings Ltd. • Technosoft Engineering Projects Ltd • Technocraft Australia Pty Ltd. • Anhui Reliable Steel Co. Ltd, China • Swift Engineering Inc, Canada • Technocraft International Limited, UK • Impact Engineering , USA
Mr. Ashish Kumar Saraf	Whole-time Director	Master in Textile Technology from University of Manchester	February 06, 2015	<ul style="list-style-type: none"> • BMS Industries Ltd • Technsoft Engineering Projects Ltd • Ashrit Holdings Ltd • Technocraft International Ltd, UK • Swift Engineering Inc, Canada • Impact Engineering, USA
Mr. Atanu Choudhary	Whole-time Director	Intermediate	August 10, 2015	NA
Mr. S.B. Agarwal	Independent Director	Chartered Accountant. He also holds a Doctorate in Philosophy in Commerce	September 30, 2014	<ul style="list-style-type: none"> • Bhagwan Computronics Private Limited • ZAR-HAS Lakshmi Trading Private Limited • Banswara Syntex Limited • Rani Sati Trading and Investment Co Pvt. Ltd.
Mr. Vishwambhar Chiranjilal Saraf	Independent Director	Bachelor of Commerce, Master in Commerce, Bachelor of Law and Master of Arts	February 06, 2015	<ul style="list-style-type: none"> • Remi Edelstahl Tubulars Ltd. • Remi Process Plant & Machinery Ltd • Remi Elektrotechnik Ltd. • Magnificent Trading Pvt. Ltd • Tahnee Heights Club

Name	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships
Mr. Jagdeesh Mal Mehta	Independent Director	Bachelor in Law	September 30, 2014	<ul style="list-style-type: none"> • Banswara Global Ltd
Mr. Vinod Balmukand Agarwala	Independent Director	Bachelor degree in Science and Law	February 06, 2015	<ul style="list-style-type: none"> • Suditul Trading & Investment Co. Pvt. Ltd • Delta Gall Textiles (India) Pvt. Ltd • GTL Infrastructure Ltd • V-Magnum Opus Strategic Solution Pvt. Ltd • SBM Chemicals And Instruments Private Limited • Supreme Infrastructure India Limited • Fiducia Business Advisors DWC LLC Dubai
Ms. Vaishali Mukund Choudhari	Independent Director	Bachelor degree in Science and Master degree in Law	September 30, 2014	NA

8. The details of change in Board of Directors during the last 3 years from the date of this LOF are as under:

Name	Appointment/ Resignation	Effective Date	Reasons
Mr. Sharadkumar Saraf	Appointment	February 06, 2015	Appointed as Chairman also who was earlier Managing and thus designated Chairman & Managing Director
Mr. Sudarshankumar Saraf	Appointment	February 06, 2015	Appointed as Co-Chairman also who was earlier Managing and thus designated Co-Chairman & Managing Director
Mr. Navneet Kumar Saraf	Appointment	February 06, 2015	Appointed as Whole-time Director
Mr. Ashishkumar Saraf	Appointment	February 06, 2015	Appointed as Whole-time Director
Dr. Bhagwan Agarwal	Appointment	September 30, 2014	Appointed as a non-retiring Independent Director as per Companies Act, 2013 for the period of five years, who was earlier retiring Independent Director under old Companies Act, 1956.
Mr. Vinod Balmukand Agarwala	Appointment	February 06, 2015	Appointed as an Additional Director and subsequently was appointed as a non-retiring Independent Director
Mr. Vishwambhar Chiranjilal Saraf	Appointment	February 06, 2015	Appointed as an Additional Director and subsequently was appointed as a non-retiring Independent Director
Mr. Jagdeesh Mal Mehta	Appointment	December 19, 2013	Appointed as an Additional Director and subsequently was appointed as a non-retiring Independent Director
Ms. Vaishali Mukund Choudhari	Appointment	March 22, 2014	Appointed as an Additional Director and subsequently was appointed as a non-retiring Independent Director
Mr. Ganesh Kumar Gupta	Resignation	October 7, 2014	Resignation
Mr. Madhoprasad Saraf	Cessation	December 11, 2014	Death
Mr. Pankaj Ranjit Toprani	Resignation	September 5, 2013	Resignation
Mr. Anand Badriprasad Didwania	Resignation	November 22, 2013	Resignation

The Buyback will not result in any benefit to any Directors of the Company / promoters / Person in Control of the Company / group companies except to the extent of their intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share capital post Buyback.

16. **FINANCIAL INFORMATION**

The brief audited financial information of the Company for the last three financial years and the unaudited financial results for the period ended September 30, 2015 is provided below. It must be noted that the financial results for the period ended September 30, 2015 although unaudited have been subjected to a limited review by the statutory auditors as is required under clause 41 of the listing agreement with the Stock Exchanges. The results have been adopted by the Board of Directors of the Company at its meeting on November 6, 2015 and the statutory auditors have issued their limited review report dated November 6, 2015 on the same.

(Rs. Lacs)				
Period Ending	Sep 30, 2015	Mar 31, 2015	Mar 31, 2014	Mar 31, 2013
Period	6 months	12 months	12 months	12 months
Income from operations	36,102.04	78,870.14	83,838.48	64,796.17
Other Income	748.83	1,268.15	2,816.79	2,193.14
Total Income	36,850.87	80,138.29	86,655.27	66,989.31
Total Expenses excluding Interest, Depreciation, Tax and Extraordinary Items	29,155.69	66,710.59	71,892.28	54,042.38
Earnings before Interest, Depreciation, Tax and Extraordinary Items	7,695.18	13,427.70	14,762.99	12,946.93
Interest	178.59	549.27	384.50	600.74
Depreciation	959.16	2,711.18	2,307.12	2,765.44
Profit before Tax	6,557.43	10,167.25	12,071.37	9,580.75
Provision for tax (including deferred tax, fringe benefit tax and prior years adjustments)	2,267.33	3,179.48	3,855.43	3,108.04
Profit after Tax	4,290.10	6,987.77	8,215.94	6,472.71
As on	Sep 30, 2015	Mar 31, 2015	Mar 31, 2014	Mar 31, 2013
Equity Share Capital	3,152.68	3,152.68	3,152.68	3,152.68
Share Application Money Pending Allotment				
Reserves & Surplus	59,906.90	55,616.80	50,719.94	44,586.03
Net Worth	63,059.58	58,769.48	53,872.62	47,738.71
Total Debt	NA	15,966.71	11,157.96	9,094.54
Total Capital Employed	NA	74,736.19	65,030.58	56,833.25
Key Ratios	Sep 30, 2015	Mar 31, 2015	Mar 31, 2014	Mar 31, 2013
Earnings per Share (Rs)	13.61	22.16	26.06	20.53
Book value per Share (Rs)	199.36	185.75	170.20	150.70
Debt-Equity Ratio	NA	0.27	0.21	0.19
Return on Networth (%)	10.43%	17.36%	22.50%	20.17%

Notes:

1. Earnings per Share = Profit After Tax / No. of Shares at the end of the period
2. Book value per Share = Net Worth(excluding Revaluation Reserves) / No. of Shares at the end of the period
3. Debt-Equity Ratio = Total Debt/Networth(excluding Revaluation Reserves)
4. Return on Networth = Profit before tax/Networth(excluding Revaluation Reserves)

The Company shall abide SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company has complied with sections 68(2)(c), 68(2)(d), 70(1) and 70(2) of the Companies Act, 2013.

17. **STOCK MARKET DATA**

1. The Shares of the Company are listed on BSE and NSE.
2. The high and low market prices for the last three years (April to March periods) and the monthly high, low and average market prices for the six months preceding this LOF and the corresponding

volumes on BSE are as follows:

Period	High (Rs.)	Date of High	Number of Shares traded on that date	Low (Rs.)	Date of Low	Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
3 Years								
FY15 (Apr 14 - Mar 15)	253	17-Mar-15	58,392	85.05	7-Apr-14	22,844	179.10	5,886,459
FY14 (Apr 13 - Mar 14)	121	2-Dec-13	25,260	57.5	5-Apr-13	21,590	82.94	1,723,887
FY13 (Apr 12 - Mar 13)	90.5	5-Oct-12	15,682	32.05	10-Jul-12	1,218	61.03	2,062,823
6 months								
1 st June - 30 th June	195	1-Jun-15	17,921	162.1	25-Jun-15	4,104	171.65	98,271
1 st July - 31 st July	192.1	17-Jul-15	8,883	164	1-Jul-15	2,221	180.82	236,322
1 st August - 31 st August	208.2	20-Aug-15	16,359	151.8	25-Aug-15	24,478	182.66	305,362
1 st September - 30 th September	193	28-Sep-15	23,441	148.6	8-Sep-15	11,131	169.54	117,485
1 st October - 31 st October	212	20-Oct-15	22,037	176.2	13-Oct-15	2,595	189.67	162,181
1 st November - 30 th November	238	9-Nov-15	172,536	196	2-Nov-15	18,060	226.65	492,335
1 st December - 24 th December	249.9	2-Dec-15	8,264	231.5	1-Dec-15	32,069	240.87	165,825

Source: www.bseindia.com

*Arithmetical average of closing prices

3. The high and low market prices for the last three years (April to March periods) and the monthly high, low and average market prices for the six months preceding this LOF and the corresponding volumes on NSE are as follows:

Period	High (Rs.)	Date of High	Number of Shares traded on that date	Low (Rs.)	Date of Low	Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
3 Years								
FY15 (Apr 14 - Mar 15)	253	16-Feb-15	77,474	86.1	7-Apr-14	2,872	179.21	10,317,714
FY14 (Apr 13 - Mar 14)	121.4	2-Dec-13	57,887	57	4-Apr-13	531,335	84.80	2,941,970
FY13 (Apr 12 - Mar 13)	89	22-Oct-12	6,338	34	21-May-12	450	61.06	2,198,658
6 months								
1 st June - 30 th June	194	1-Jun-15	17,921	162.25	30-Jun-15	4,045	171.90	405,272
1 st July - 31 st July	192	17-Jul-15	8,883	162.6	1-Jul-15	2,221	180.55	681,626
1 st August - 31 st August	207.5	20-Aug-15	16,359	151	25-Aug-15	24,478	182.40	922,936
1 st September - 30 th September	195	28-Sep-15	23,441	147.1	8-Sep-15	11,131	169.56	421,632
1 st October - 31 st October	213.8	20-Oct-15	22,037	176.05	13-Oct-15	2,595	189.65	646,028
1 st November - 30 th November	236	9-Nov-15	172,536	194.4	2-Nov-15	18,060	226.79	1,294,193
1 st December - 24 th December	249	2-Dec-15	8,264	233	1-Dec-15	32,069	240.85	568,948

Source: www.nseindia.com

*Arithmetical average of closing prices

4. Notice of the first Board Meeting convened to consider the proposal of the Buyback was given to the BSE and NSE on November 3, 2015. The closing price of the Company's equity share on November 3, 2015 on BSE was Rs. 213.6 and on NSE was Rs. 213.9. The Board, at its meeting held on November 6, 2015, approved the proposal for the Buyback at a price not exceeding Rs. 270/- per share and the intimation was sent to BSE and NSE on the same day. The high and low market prices on BSE on November 6, 2015, were Rs. 226 and Rs. 210.9 respectively and on NSE were Rs. 225.5 and Rs. 210.6 respectively. The high and low market prices on BSE on November 5,

2015, (being the day previous to the day on which the Board Meeting was held to approve the Buyback) were Rs. 218.0 and Rs. 206.2 respectively and on NSE were Rs. 218.0 and Rs. 206.9 respectively. The Buyback Committee decided on the final Buyback Price of Rs 270/- at its meeting held on November 6, 2015 and on that date the high and low market prices on BSE were Rs. 226 and Rs. 210.95 respectively and on NSE were Rs. 225.5 and Rs. 210.6 respectively.

18. **STATUTORY APPROVALS**

The Buyback offer is subject to approvals, if any required, under the provisions of the Act, the Regulations and/or such other acts in force for the time being. The Buyback of Shares from non-residents (NR) and Non Resident Indian (NRI) shareholders will be subject to approvals, if any, of the appropriate authorities, including Reserve Bank of India (RBI), as applicable.

19. **REGISTRAR TO THE BUYBACK**

The Company has appointed the following as the Registrar to the Buyback:

Name : Link Intime India Private Limited
Address : C- 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078
Phone : +91 22 6171 5400
Fax : +91 22 2596 0329
Email : technocraft.buyback@linkintime.co.in
Contact : Mr. Ganesh Mhatre

20. **COLLECTION CENTRES**

Eligible Persons are requested to submit their Form(s) and requisite documents either by registered post/courier to the Registrar to the Buyback, super scribing the envelope as "Technocraft Buyback 2015", or hand deliver the same at the head office of the Registrar

21. **PROCESS AND METHODOLOGY FOR THE BUYBACK**

1. The Company proposes to buyback not exceeding 52,26,750 Equity Shares from all the existing Shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of Rs. 270 (Rupees Two Hundred and Seventy only) per Equity Share, payable in cash for an aggregate amount of Rs. Rs. 141,12,22,500/- (Rupees One Hundred Forty One Crore Twelve Lakhs Twenty-Two Thousand Five Hundred Only). The maximum number of Equity Shares proposed to be bought back represents 16.58% of the total paid-up equity share capital of the Company. The Buyback is in accordance with Article 61 of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act and in compliance with Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE, RBI etc. The Buyback Offer Size is 24.11% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015.
2. The aggregate shareholding of the Promoter Group / Persons in Control is 2,36,36,562 Equity Shares, which represents 74.97% of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the promoters of a company have the option to participate in the buyback. In this regard, the promoter entities as listed in clause 4 section IX of this Letter of Offer have expressed their intention, vide their individual letters dated November 6, 2015 to participate in the Buyback and offer upto an aggregate maximum of 52,26,789 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback. Each promoter entity intends to offer upto their respective shareholding as on the Record Date, or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback.

3. Assuming response to the Buyback Offer is to the extent of 100% from all the Shareholders upto their entitlement (full acceptance), post Buyback the aggregate shareholding of the Promoter Group will be 20,090,042 Equity Shares, representing 76.39% of the post Buyback equity share capital of the Company i.e an increase of 1.42% (rounded-off) from their present holding of 74.97% of the pre Buyback equity share capital of the Company.
4. **Record Date, ratio of Buyback and entitlement of each Shareholder**
- a. The Buyback Committee in its meeting held on December 25, 2015 announced Friday, January 8, 2016 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
 - b. The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders ("**Reserved Category**"); and
 - General category for all Shareholders other than Small Shareholders ("**General Category**")
 - c. As defined in the Buyback Regulations, a "Small Shareholder" is a Shareholder who holds Equity Shares having market value, on the basis of closing price on NSE as on Record Date, of not more than Rs. 2,00,000 (Rupees Two Lacs). As on the Record Date, the closing price on NSE was Rs. 232.90 per Equity Share, accordingly all Shareholders holding not more than 858 Equity Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buyback Offer.
 - d. Based on the above definition, there are 761 Small Shareholders with aggregate shareholding of 1,917,161 Shares, as on the Record Date, which constitutes 6.08% of the outstanding paid up equity share capital of the Company and 36.68% of the number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.
 - e. In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be 78,40,13 Equity Shares which is higher of:
 - i. Fifteen percent of the number of Equity Shares which the Company proposes to buyback i.e. 15% of 52,26,750 Equity Shares which works out to 78,40,13 Equity Shares; or
 - ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e.(52,26,750 /31,526,750) X 1,917,161] which works out to 31,78,42 Equity Shares. All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters Group also intends to offer Equity Shares held by them in the Buyback.
 - f. Accordingly, General Category shall consist of 44,42,737 Equity Shares.
 - g. Based on the above, the entitlement ratio of Buyback for both categories is decided as below:

Category Entitlement Ratio of Buyback

Category	Entitlement Ratio of Buyback
Reserved Category	119 Equity Shares out of every 291 fully paid-up Equity Shares held on the Record Date
General Category	1,542 Equity Shares out of every 10,277 fully paid-up Equity Shares held on the Record Date

5. **Fractional Entitlements**

If the entitlement under Buyback, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 2 or less Equity Shares as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and

will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

6. **Basis of Acceptance of Equity Shares validly tendered in the Reserved Category**

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a. Full acceptance of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b. Post the acceptance as described in paragraph 21(6)(a), in case, there are any Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c. Post the acceptance as described in paragraph 21(6)(a) and (b), in case, there are any validly tendered unaccepted Shares in the Reserved Category ("**Reserved Category Additional Shares**") and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 21(6)(b), shall be reduced by one.
- d. Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 21(6)(c), will be made as follows:
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

7. **Basis of Acceptance of Equity Shares validly tendered in the General Category**

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a. Full Acceptance of Shares from Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b. Post the acceptance as described in paragraph 21(7)(a), in case, there are any validly tendered unaccepted Shares in the General Category ("**General Category Additional Shares**") and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c. Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 21(7)(b), will be made as follows:
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

8. **Basis of Acceptance of Equity Shares between the two categories**

- After acceptances of tenders, as mentioned in paragraph 21(6) and 21(7), in case, there are any Shares left to be bought back in one category ("**Partially Filled Category**") and there are additional unaccepted validly tendered Shares ("**Further Additional Shares**") in the second category ("**Over Tendered Category**"), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per Shareholder shall be equal to Further Additional Shares validly tendered by the Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.
- If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 21(8)(a) out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 21(6)
- Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 21(8)(a):
 - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

9. **For avoidance of doubt, it is clarified that, in accordance with the clauses above:**

- **Shares accepted under the Buyback from each Eligible Person, shall be lower of the following:**
 - **the number of Shares tendered by the respective Shareholder and**
 - **the number of Shares held by the respective Shareholder, as on the Record Date.**
- **Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.**

22. **PROCEDURE FOR TENDERING SHARES AND SETTLEMENT**

- The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Equity Shares either in physical and/or electronic form on the Record Date.
- The Company proposes to effect the Buyback through Tender Offer route, on a proportionate basis. This Letter of Offer, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.
- The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.

5. Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also accept a part of their Buyback Entitlement. Shareholders also have the option of tendering additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in section 21 of this Letter of Offer.
6. The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.
7. The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
8. For implementation of the Buyback, the Company has appointed Systematix Shares and Stocks (India) Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

Systematix Shares and Stocks (India) Limited
The Capital, A-Wing, No. 603-606, 6th Floor,
Plot No. C-70, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051, India
Contact Person: Mr. Rajkumar Gupta
Tel: +91-22-3029-8000
Email: project.technobuyback@systematixgroup.in
9. The Company will request BSE Limited to provide the separate Acquisition Window to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. BSE Limited would be the Designated Stock Exchange for this Buyback Offer. The details of the platform will be specified by BSE from time to time.
10. All Eligible Persons may place orders in the Acquisition Window, through their respective stock brokers ("**Seller Member(s)**").
11. During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Persons through their respective Seller Members during normal trading hours of the secondary market.
12. Seller Members can enter orders for demat Shares as well as physical Shares.
13. Modification / cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
14. The cumulative quantity tendered shall be made available on BSE Limited's website – www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.
15. **Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form**
 - a) Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.

- b) The Eligible Person / Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. ("**Clearing Corporation**") for the transfer of the shares to the special account of Clearing Corporation before placing the bids/ orders and the same shall be validated at the of order entry. The details of the special account of Clearing Corporation shall be informed in issue opening circular that will be issued by BSE Limited / Clearing Corporation.
- c) For Custodian Participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- d) Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the exchange bidding system to the Shareholder. TRS will contain the details order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- e) Eligible Persons who have tendered their Equity Shares in the Buyback can 'hand deliver' Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in same order in which they hold the shares, along with the TRS generated by the exchange bidding system at the head-office (mentioned in section 20 of this Letter of Offer) of Registrar to the Buyback Offer. TRS will be generated by the respective Seller Members. Equity Shareholders who cannot hand deliver the Tender Form and other documents at the head-office of Registrar to the Buyback Offer, may send the same by registered post / speed post, at their own risk, superscribing the envelope as "Technocraft Buyback Offer 2015", to the Registrar to the Buyback Offer at their office mentioned on the cover page of this Letter of Offer, so that the same are received not later than 2 (two) days from the Closing Date i.e. Wednesday, February 17, 2016 (by 5 PM).
- f) In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.
- g) The Eligible Persons will have to ensure that they keep the DP Account active and unblocked receive credit in case of return of Equity Shares due to rejection or due to prorated buyback decided by the Company.

16. Procedure to be followed by Registered Equity Shareholders holding Equity Shares in Physical form

- a) Shareholders who are holding physical Equity Shares and intend to participate in the Buyback be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the:
 - i. The Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) the same order in which they hold the shares.
 - ii. Original share certificates
 - iii. 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 Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company
 - iv. Self-attested copy of the Shareholder's PAN Card
 - v. Any other relevant documents such as (but not limited to):
 - Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form
 - Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
 - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
 - vi. In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be

required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

- b) Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('TRS') generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- c) After placement of bid, as mentioned in paragraph 22(16)(b), the Seller Member must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in paragraph 22(16)(a)) either by registered post or courier or hand delivery to the Registrar and Transfer Agent ('RTA') (at the address mentioned on the cover page and mentioned in paragraph 20 of this Letter of Offer) not later than 2 (two) days from the Closing Date i.e. Wednesday, February 17, 2016 (by 5 PM). The envelope should be superscribed as "Technocraft Buyback Offer 2015". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member.
- d) Shareholders holding physical shares should note that physical Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once, RTA confirms the bids it will be treated as 'Confirmed Bids'.
- e) In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback Offer before Closing Date.

17. In case of non-receipt of this Letter of Offer:

- a) **In case the Equity Shares are in dematerialised form:** An Eligible Person may participate in the Offer by downloading the Tender Form from the website of the Company i.e www.technocraftgroup.com or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name & address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number and number of Equity Shares tendered for the Buyback.
- b) **In case the Equity Shares are in physical form:** An Eligible Person may participate in the Offer by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Equity Shareholders' PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website www.technocraftgroup.com. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 22(16)(a)), reach the collection centres not later than 2 (two) days from the Closing Date i.e Wednesday, February 17, 2016 (by 5 PM). If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

Please note that Eligible Person(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by BSE before the Closing Date.

The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Person(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

18. Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Person, shall not invalidate the Buyback Offer in any way.
19. The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

20. **Method of Settlement**

Upon finalization of the basis of acceptance as per Buyback Regulations:

- 1) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
 - 2) The Company will pay the consideration to the Company's Brokers on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Seller Member / Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.
 - 3) The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "**Demat Escrow Account**") provided it is indicated by the Company's Brokers or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
 - 4) Excess demat shares or unaccepted demat Shares, if any, tendered by the Shareholders would be returned to the respective Seller Members by Clearing Corporation as part of the exchange payout process, not later than Thursday, February 25, 2016 . In case of Custodian Participant orders, excess demat shares or unaccepted demat Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.
 - 5) Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholders directly by RTA. The Company will issue a new single share certificate for all the unaccepted physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders' sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than Thursday, February 25, 2016.
 - 6) Every Seller Member, who puts in a valid bid on behalf of an Eligible Person, would issue a contract note & pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted demat Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
21. Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders
 22. The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Regulations.

23. **NOTE ON TAXATION**

Disclosures in this paragraph are based on expert opinion sought by the Company.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING 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 COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 relating to treatment of income-tax in case of buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

a) Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:

- i. Shares held as investment (Income from transfer taxable under the head "Capital Gains")
- ii. Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains from Business or Profession")

b) Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

a. Resident Shareholders being:

- Individuals, HUF, AOP and BOI
- Others

b. Non Resident Shareholders being:

- NRIs
- FIIs
- Others:
 - Company
 - Other than Company

2. SHARES HELD AS INVESTMENT

- a) For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable DTAA.
- b) The taxability as per the provisions of the Income Tax Act is discussed below.
- c) Nature of capital gains as per the provisions of the Income Tax Act As per the provisions of the Income Tax Act, for the purpose of determining as to whether the capital gains are short-term or long-term in nature:
 - i. Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
 - ii. Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).
- d) Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act.

Buyback of shares through a recognized stock exchange

- e) Where transaction for transfer of such equity shares (ie buyback) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):
- i. LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
 - ii. STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

- In case of foreign companies and FIs: Surcharge @ 5% is leviable where the total income exceedsRs.10 crores and @ 2% where the total income exceedsRs.1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- In case of other non-resident assesseees (ie other than foreign companies): Surcharge @ 12% is leviable where the total income exceedsRs.1 crore. Further, Education Cess @ 2 and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs.10 crores and @ 7% where the total income exceedsRs.1 crore is leviable in all cases.
- In case of resident assesseees (ie other than domestic companies): Surcharge @ 12% is leviable where the total income exceedsRs.1 crore. Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable.

3. SHARES HELD AS STOCK-IN-TRADE

- a) If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.
- b) Resident Shareholders
- i. For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - ii. For persons other than individuals, HUF, AOP, BOI profits would be taxable @ 30%. No benefit of indexation by virtue of period of holding would be available in any case. In addition to the above, in the case of domestic companies, Surcharge @ 12% is leviable where the total income exceedsRs.10 crores and @ 7% where the total income exceedsRs.1 crore. In all other cases, Surcharge @ 12% is leviable where the total income exceedsRs.1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- c) Non Resident Shareholders
- i. For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.
 - ii. Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
 - For foreign companies, profits would be taxed in India @ 40%
 - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

In addition to the above, in the case of foreign companies, Surcharge @ 5% is leviable where the total income exceedsRs.10 crores and @ 2% where the total income exceedsRs.1 crore. In all other cases, Surcharge @ 12% is leviable where the total income exceedsRs.1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

4. TAX DEDUCTION AT SOURCE

- a) In case of Resident Shareholders
In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.
- b) In the case of Non Resident Shareholders
Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

5. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

24. DECLARATION BY THE BOARD OF DIRECTORS

1. The Board of Directors confirm that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
2. The Board of Directors confirm that based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Companies Act, 1956, the Buyback Committee of the Board of Directors have formed an opinion that;
 - a) Immediately following the date of the Letter of Offer, there are no grounds on which the Company could be found unable to pay its debts
 - b) As regards its prospects for the year immediately following the date of the Letter of Offer that, having regard to their intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

This declaration is made and issued under the authority of the Committee of the Board of Directors in terms of the resolution passed at the meeting held on November 6, 2015.

For and on behalf of the Board of Directors of the Company

Sd/-

Sd/-

Mr. Sharad Kumar Saraf
Chairman & Managing Director

Mr. Sudarshan Kumar Saraf
Co-Chairman & Managing Director

In addition, the Company has also confirmed that it is in compliance with section 159, 207 and 211 of the Act.

25. **AUDITOR'S CERTIFICATE**

The contents of the Report dated November 6, 2015 received from M.L. Sharma & Co. Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of Directors is reproduced below:

Quote

To,
The Board of Directors
Technocraft Industries (India) Limited,
A-25, Technocraft House, MIDC,
Marol Industrial Area, Road No.03,
Opp. ESIS Hospital, Andheri (East),
Mumbai - 400093

Dear Sirs,

Re: Proposed Buy-back of Equity Shares

In connection with the proposed Buy-back of Equity Shares by Technocraft Industries (India) Limited (the '**Company**') as approved by the Board of Directors at its meeting held on November 6, 2015, in pursuance of the provisions of Section 68 of the Companies Act, 2013 ("the **Act**") and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "**Buyback Regulations**"); and based on the information and explanations given to us which were to the best of our knowledge and belief necessary for this purpose, we report that:

1. We have enquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2015.
2. The amount of permissible capital payment (including premium) for the proposed buyback of equity shares as computed in the table below is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company for the year ended March 31, 2015.

Particulars as on March 31, 2015		Amount crores)	(Rs. in
Paid up capital (3,15,26,750 shares of Rs. 10/- each)	A		31.53
Free Reserves:			
Profit and loss account balance		196.75	
Securities Premium		74.87	
General reserve		282.25	
Total Free Reserves	B		553.87
Total paid up capital and free reserves	A+B		585.40
Maximum amount permissible under the Act/ Buyback Regulations with Shareholder approval:- 25% of total paid-up equity capital and free reserves, if the buyback is carried through tender offer route (in accordance with Chapter IV of the Buyback Regulations and section 68(2)(c) of the Act)			146.35
Maximum amount permitted by Board Resolution dated November 6, 2015 approving Buyback, subject to shareholder approval, based on the audited accounts for the year ended March 31, 2015.			141.1223

3. The Board of Directors of the Company, in their meeting held on November 6, 2015, have formed their opinion as specified in clause (x) of Schedule I to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

We have not performed an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items thereof, for the purpose of this report. Accordingly we do not express such opinion.

This report has been issued at the request of the Company solely for use of the Company in relation to filling information with the explanatory statement to the notice for special resolution and in connection with the proposed buyback of equity shares of the Company and may not be suitable for any other purpose.

Date: November 6, 2015
Place: Mumbai

For M.L. Sharma & Co.
Chartered Accounts

C.H. Bandi
Partner
M. No: 5385

Unquote

26. MATERIAL DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Buyback at 27BKC, Plot no. C-27, 1st floor, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 1:00 pm up to the date of closure of the Buyback.

- a) Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Technocraft Industries (India) Limited ;
- b) Copy of the annual reports of Technocraft Industries (India) Limited for the years ended March 31, 2013, March 31, 2014 and March 31, 2015;
- c) Copy of the resolution passed by the Board of Directors at the meeting held on November 6, 2015 approving proposal for Buyback;
- d) Copy of Certificate dated November 6, 2015 received from M.L. Sharma, the Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- e) Copy of the postal ballot notice to the Equity Shareholders dated November 6, 2015, along with Explanatory Statement;
- f) Copy of special resolution passed by the Equity Shareholders of the Company by Postal Ballot, the results of which were announced on December 25, 2015;
- g) Copy of Declaration of solvency and an affidavit in form SH-9 as prescribed under section 68(6) of the Companies Act;
- h) Copy of Escrow Agreement dated December 14, 2015 between Technocraft Industries (India) Limited, Kotak Mahindra Bank, Mumbai and Kotak Mahindra Capital Company, confirming that Rs. 29,11,22,250 (Rupees Twenty Nine Crore Eleven Lacs Twenty Two Thousand Two Hundred and Fifty only) is kept in escrow account and a lien has been marked on the amount in favour of the Manager to the Buyback Offer and a certificate dated December 21, 2015 from Kotak Mahindra Bank, Mumbai confirming the balance to the credit of Escrow Account;
- i) Copy of the certificate from M/s Ashok Mistry & Co., dated December 21, 2015 certifying that the Company has adequate funds for the purposes of buyback of 52,26,750 Equity Shares at the price of Rs.270/- per Equity Share;
- j) Copy of Public Announcement published in the newspapers on December 28, 2015 regarding Buyback of Equity Shares;
- k) Copy of SEBI observation letter no. CFD/DCR2/OW/286/2016 dated January 18, 2016;

27. **COMPLIANCE OFFICER**

The Company has designated the following as the Compliance Officer for the Buyback:

Name : Neeraj Rai
Designation : Company Secretary & Compliance Officer
Address : A-25, Technocraft House, MIDC, Marol Industrial Area, Road No. 3,
Opp. ESIS Hospital, Andheri (E), Mumbai, 400093
Phone : +91 22-2836-2222/2106
Fax : +91 22-2836-7037
Email : cs@technocraftgroup.com

The officer can be contacted on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 5:00 pm

28. **REMEDIES AVAILABLE TO SHAREHOLDERS/ BENEFICIAL OWNERS**

In case of any grievance relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit etc.) the investor can approach the Compliance Officer for redressal.

If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, or any regulation or under clause (f) of subsection (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act.

The address of the concerned office of the Registrar of Companies is as follows:

Registrar of Companies, Maharashtra, Mumbai
100, Everest, Marine Drive, Mumbai – 400 002

29. **INVESTOR SERVICE CENTRE**

In case of any queries, the shareholders may contact Investor Service Centre, from Monday to Friday between 10 am to 5 pm on all working days, at the following address:

Name : Neeraj Rai
Designation : Company Secretary & Compliance Officer
Address : A-25, Technocraft House, MIDC, Marol Industrial Area, Road No. 3,
Opp. ESIS Hospital, Andheri (E), Mumbai, 400093
Phone : +91 22-2836-2222/2106
Fax : +91 22-2836-7037
Email : cs@technocraftgroup.com

30. **MANAGER TO THE BUYBACK**

The Company has appointed the following as Manager to the Buyback:



Name : Kotak Mahindra Capital Company Limited
Address : 27BKC, 1st floor, Plot no. C-27, "G" Block, Bandra Kurla Complex, Bandra (East),
Mumbai Mumbai 400 051
Phone : +91 22 22 4336 0000
Fax : +91 22 22 6713 2447
Email : project.technocraftbuyback@kotak.com
Contact Person : Mr. Ganesh Rane

31. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company accepts responsibility for all the information contained in this Letter of Offer. This Letter of Offer is issued under the authority of the Board.

**For and on behalf of all members of the Board of Directors
of Technocraft Industries (India) Limited**

Sharad Kumar Saraf
Chairman & Managing Director

Sudarshan Kumar Saraf
Co-Chairman & Managing Director

Neeraj Rai
Company Secretary

Date: January 19, 2016

Place: Mumbai