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JYOTI LIMITED

Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries

Vadodara – 390 003 Gujarat (India)

CIN : L36990GJ1943PLC000363

Phone : 0265 – 3054444 Fax : +91-265-2281871/2280671

Dear Shareholders,

Please find below the reasoned recommendation of the Committee of Independent Directors of the Board of Jyoti Limited on the Open Offer made by Mr. Lavjibhai Dungarbhaji Daliya (“Acquirer I”) and Anjani Residency Pvt. Ltd. (“Acquirer II”) to the equity shareholders of JYOTI LIMITED for acquisition of 1,28,46,744 equity shares of face value of Rs.10/- each at a revised price of Rs. 70/- per fully paid up equity share pursuant to Regulations 3(1) and 4 and other applicable provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 -

**RECOMMENDATION OF THE COMMITTEE OF INDEPENDENT DIRECTORS (IDC) ON THE OPEN OFFER IN TERMS OF REGULATION 26(7) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011 [SEBI (SAST) REGULATIONS, 2011]**

1.	Date	Monday, the 27th July, 2015
2.	Name of the Target Company (TC)	Jyoti Limited, Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodara - 390003
3.	Details of the Offer pertaining to TC	Open Offer by Mr. Lavjibhai Dungarbhaji Daliya from Surat, Gujarat and Anjani Residency Private Limited, Surat, Gujarat (collectively referred as “the Acquirers”) to acquire 1,28,46,744 equity shares of Rs.10/- each representing 75% of fully paid-up equity share capital and voting capital of Jyoti Limited at a price of Rs. 70/- per fully paid-up equity share payable in cash pursuant to Regulations 3(1) and 4 of Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.
4.	Name(s) of the acquirer and PAC with the acquirer	Mr. Lavjibhai Dungarbhaji Daliya, residing at Mamta Park Society, Spinning Mill Compound, Kapodara, Surat - 395006 and Anjani Residency Private Limited, having its Registered Office at 56, Maheshwari Soc., Near Guru Nagar, Opposite Baroda Pristage, Varachha Road, Surat - 395006 (collectively referred as “the Acquirers”). The acquirers declare that there is no PAC in the Offer. However, on the basis of the complaints dated 27th January, 2015 and 25th February, 2015 of the Company against Mr. Bharat Jayantilal Patel and his associates and group entities filed with SEBI and other information, which are already in public domain, including information obtained from the decided litigations, there are strong indications of existence of Persons Acting in Concert with the Acquirers in the Open Offer, which include associate and group entities of Mr. Bharat J. Patel, Mumbai.
5.	Name of the Manager to the Offer	Inga Capital Private Limited (having CIN: U74140MH1999PTC122493 and SEBI Registration No.: MB/INM/000010924), situated at Naman Midtown, A Wing, 21 <sup>st</sup> Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai – 400 013.



6.	Members of the Committee of Independent Directors (Please indicate the chairperson of the Committee separately)	1. Mr. Tushar Dayal - Director & Committee Chairman 2. Mr. Shrikar Bhattbhatt - Director and Member 3. Dr. Rajesh Khajuria - Director and Member
7.	IDC Member's relationship with the TC (Director, Equity Shares owned, any other contract / relationship), if any	All the members of the committee are Directors of the TC. Mr. Tushar Dayal and Dr. Rajesh Khajuria do not hold any equity shares in the TC whereas Mr. Shrikar Bhattbhatt holds 60 equity shares in the TC.
8.	Trading in the Equity Shares/Other Securities of the TC by IDC Members	None of the members of IDC have traded in the shares of the TC during last 12 months.
9.	IDC Member's relationship with the acquirer (Director, Equity Shares owned, any other contract / relationship), if any	None of IDC Members are:- (a) Directors of the acquirer company (b) Shareholders or holder of any other securities in the acquirer company (c) Having any contract or relationship with the acquirers.
10.	Trading in the Equity Shares/Other Securities of the acquirer by IDC Members	None of the members of IDC have ever traded in the shares of the acquirer company.
11.	Recommendation on the Open Offer, as to whether the Offer is fair and reasonable	On the basis of the contents in the Draft Letter of Offer together with the material and information available with the Board of Directors of the TC and also read with the information and details available in the public domain and public websites, the IDC is of the view that the Open Offer may not remain a valid Open Offer owing to material mis-statements in the Draft Letter of Offer, owing to non obtaining of statutory approval before making this Offer, owing to defaulting status of acquirer company and also in terms of other applicable provisions of SEBI (SAST) Regulations, 2011 where sale of shares by PACs of acquirers would not be allowed in the Open Offer. The IDC, in the Draft Letter of Offer, finds that there are material non-statements, mis-statements and concealments relating to statutory approval, present legal status of the TC, Board of Directors of the TC and association of the persons acting in concert with the Manager to the Offer, therefore, the Open Offer could become subject matter of enquiry and/or litigation. In view of the same, the IDC cannot form any favourable opinion about the acquirers and about the fairness and/or reasonableness of their Open Offer for the existing shareholders of the TC.
12.	Summary of reasons for recommendation (IDC may also invite attention to any other place, e.g. company's website, where its detailed recommendation along with written advice of the independent adviser, if any can be seen by the shareholder)	<u>The opinion / recommendation of the IDC is based on the following:-</u> (1) Draft Letter of Offer uploaded on the website of SEBI from 9 <sup>th</sup> July, 2015. There are material mis-statements in the Offer document relating to sick industrial company status, about statutory approval for effecting change in the Existing Management of the Company, about non availability of voting rights to its 18,00,000 shares, about names of



		<p>existing Directors on the Board of the Company, about the association of the Manager to the Offer with the persons acting in concert with the acquirers and about the persons acting in concert with the acquirers. As stated in the object of the said Open Offer document that the acquirers intend to monetise the non-core assets of the TC, the IDC is totally oblivious of existence of non-core assets in the TC.</p> <p>The acquirer individual does not have any formal educational qualification. He does not have any experience of managing a listed company or a manufacturing / engineering company. The acquirer company does not have a net worth to acquire the TC and the individual acquirer has not disclosed the source of his net worth which, in the opinion of IDC, is the basic identity of the Acquirers for the shareholders and creditors of the TC. Two Directors on the Board, including the main acquirer, of the acquirer company do not possess any formal education. The business operations and income of the acquirer company are NIL for last 3 years. The Company has been a defaulter Company for at least last three years, in filing its statutory documents with the office of the Registrar of Companies.</p> <p>(2) Complaints dated 27<sup>th</sup> January, 2015 and 25<sup>th</sup> February, 2015 of the Company against Mr. Bharat J. Patel and his associates and group entities filed with the Securities and Exchange Board of India.</p> <p>(3) Copies of the documents of shareholding and directorships compiled by the Company for enquiring and establishing connections amongst the shareholders who voted in identical pattern in the last AGM of the Company held on 22<sup>nd</sup> September, 2014.</p> <p>(4) Claim of the Company about 18,00,000 equity shares as distinctly identified tainted shares whose voting rights are suspended. These documents at serial numbers 2 to 4 are available with the Company Law &amp; Legal Department of the Company for personal inspection, by registered members of the company, on request.</p>
13.	Details of Independent Advisors, if any	There is no independent advisor, however the IDC has availed professional services of a Practising Company Secretary, having over 25 years' of experience in the similar field of corporate laws, to interpret and understand various legal aspects involved in this assignment and therefore, it is reasonably satisfied about the completeness and relevance of the counsel received in this matter.
14.	Any other matter(s) to be highlighted	None



To the best of our knowledge and belief, after making proper enquiries, the information contained in or accompanying this statement is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the TC under SEBI (SAST) Regulations, 2011.

For and on behalf of IDC of Board of Directors of  
**JYOTI LIMITED**

TUSHAR DAYAL  
DIN:01055037  
Chairman of IDC.

Vadodara  
3<sup>rd</sup> August, 2015

**By Courier**

**From :**

 **Jyoti Ltd.**  
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**To**

JYOTI LIMITED  
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P.O. Chemical Industries  
Vadodara – 390 003 Gujarat (India)  
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