

## DRAFT LETTER OF OFFER ("DLOF")

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as Equity Shareholder(s) of Regency Investments Limited ("Target Company"). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer (as defined herein below) or the Registrar to the Offer (as defined herein below). In the event you have sold your Equity Shares in the Target Company, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, and the transfer deed to the purchaser of the Equity Shares or the member of the stock exchange through whom the said sale was effected.

#### OPEN OFFER BY

##### GAURAV KUMAR ("Acquirer 1")

**Address:** H No. 202, Imperial Residency, Tehsil Dera Bassi, SAS Nagar, Mohali-140507, Punjab, India

#### AND

##### RAJIV VASHISHT ("Acquirer 2")

**Address:** H No.129 Tribune Mitra Vihar, Ramgarh Road, Sector 29, Panchkula-134116, Haryana, India  
**collectively, ("Acquirers")**

To the Shareholder(s) of

##### REGENCY INVESTMENTS LIMITED ("Target Company")

**Registered Office:** E 58, Phase-VIII, Industrial Area, Mohali-160071, Punjab, India



**Tel:** 0172 25063378; **Email:** [regencyinvestmentsltd@gmail.com](mailto:regencyinvestmentsltd@gmail.com); **Website:** [www.regencyinvestments.co.in](http://www.regencyinvestments.co.in)

**Company Identification Number:** L67120PB1993PLC013169

To acquire upto **7,80,052** (Seven Lac Eighty Thousand and Fifty Two Only) Equity Shares of the face value of ₹ 10 each ("Offer Shares"), representing **26%** of the total voting share capital of the Target Company on a fully diluted basis, as of the tenth working day from the closure of the tendering period of the open offer ("Voting Share Capital"), from the eligible shareholders of the Target Company for cash at a price of ₹ **10** per equity share.

#### Please Note:

1. This Offer is being made by the Acquirers pursuant to regulations 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("Takeover Regulations").
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of Takeover Regulations.
3. This Open Offer is not a competing offer in terms of regulation 20 of the Takeover Regulations.
4. There has been no competing offer as on the date of this Draft Letter of Offer.
5. This Open offer is subject to receipt for approvals as more particularly set out in paragraph VII (B) of this Draft Letter of offer. To the best of the knowledge of the Acquirers, other than the approvals required for the purpose of this Offer. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approvals.
6. If there is any upward revision in the Offer Price or the number of Shares sought to be acquired under the Open Offer by the Acquirers, at any time prior to the commencement of the last three working days before the commencement of the tendering period i.e. upto Friday, April 07, 2017 the same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirers for all the shares validly tendered anytime during the Tendering Period of the Open Offer.
7. In the event of withdrawal of offer, a public announcement will be made within two (2) Working Days of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
8. A copy of the Public Announcement, the Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgement) are also available on SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in).

 <b>SAFFRON</b> energising ideas	 <b>adroit</b> CORPORATE SERVICES PVT. LTD.
<b>SAFFRON CAPITAL ADVISORS PRIVATE LIMITED</b> 605, Sixth Floor, Centre Point, J. B. Nagar, Andheri (East), Mumbai - 400 059, India; <b>Tel. No.:</b> +91 22 4082 0914/906; <b>Fax No.:</b> +91 22 4082 0999; <b>Email id:</b> <a href="mailto:openoffers@saffronadvisor.com">openoffers@saffronadvisor.com</a> ; <b>Website:</b> <a href="http://www.saffronadvisor.com">www.saffronadvisor.com</a> ; <b>Investor grievance:</b> <a href="mailto:investorgrievance@saffronadvisor.com">investorgrievance@saffronadvisor.com</a> ; <b>SEBI Registration Number:</b> INM 000011211; <b>Contact Person:</b> Amit Wagle/Harshika Thakkar	<b>ADROIT CORPORATE SERVICES PRIVATE LIMITED</b> 17-20, Jaggerbhoy Ind. Easter, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400059, Maharashtra <b>Tel. No.:</b> +91 22 4227 0423; <b>Fax No.:</b> +91 22 2850 2748; <b>E-mail:</b> <a href="mailto:surendrag@adroitcorporate.com">surendrag@adroitcorporate.com</a> ; <b>Website:</b> <a href="http://www.adroitcorporate.com">www.adroitcorporate.com</a> ; <b>SEBI Registration Number:</b> INR000002227; <b>Contact Person:</b> Surendra V. Gawade

## SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Day and Date
Public Announcement (PA)	Tuesday, February 14, 2017
Publication of DPS in the newspapers	Tuesday, February 21, 2017
Filing of the draft letter of offer with SEBI	Wednesday, March 01, 2017
Last date for a competitive bid	Thursday, March 16, 2017
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Thursday, March 23, 2017
Identified Date*	Monday, March 27, 2017
Letter of Offer to be dispatched to shareholders	Wednesday, April 05, 2017
Last date for revising the Offer price/ number of shares	Friday, April 07, 2017
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Monday, April 10, 2017
Date of publication of Offer Opening Public Announcement	Tuesday, April 11, 2017
Date of commencement of Tendering Period (Offer Opening Date)	Wednesday, April 12, 2017
Date of Expiry of Tendering Period (Offer Closing Date)	Wednesday, April 26, 2017
Last Date for completion of all requirements including payment of consideration	Tuesday, May 12, 2017

\* Identified Date is only for the purpose of determining the names of the Equity Shareholders of the Target Company as on such date to whom the Letter of Offer would be mailed. It is clarified that all the shareholders holding Equity Shares of the Target Company (registered or unregistered) (except the Acquirers and Promoter group members of Target Company) are eligible to participate in this Offer any time prior to the closure of this Offer

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## RISK FACTORS

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### I. RISK FACTORS RELATING TO THE TRANSACTION

- The Offer is subject to receipt of approvals as more particularly set out in paragraph VII (B) of this Draft Letter of Offer.
- To the best of the knowledge of the Acquirers, other than the approvals set out in paragraph VII (B) of this Draft Letter of Offer, There are no other statutory approvals required by the Acquirers to complete this Offer. However, in case of any other statutory approvals are required by the Acquirers at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such statutory approvals. In case of delay in receipt of any such statutory or regulatory approvals, as per Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirers agreeing to pay interest to the Public Shareholders for delay beyond 10th Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture. Where the statutory or regulatory approvals extend to some but not all the Public Shareholders, the Acquirers shall have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such Public Shareholders.
- In terms of and in accordance with Regulation 23(1) of the Takeover Regulations, if the conditions precedent and other conditions as stated in paragraph VII (B) are not satisfactorily complied with for reasons beyond the control of the Acquirers, the Open Offer would stand withdrawn. The Acquirers reserve the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the Takeover Regulations in the event the requisite statutory approvals that may be necessary at a later date are refused.

### II. RISKS RELATING TO THE OFFER

- The Open Offer is an offer to acquire not more than 26% of the Voting Share Capital of the Target Company from the Eligible Shareholders. In the case of Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Shares tendered by the Eligible Shareholders in the Open Offer will be accepted.
- In the event that either: (a) regulatory or statutory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirers from performing their obligations hereunder, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Shares are accepted under the Offer as well as the return of Shares not accepted under the Offer by the Acquirers may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers agreeing to pay interest to the validly tendering Shareholders.
- The Equity Shares tendered in the Offer and documents will be held in the special account of the Clearing Corporation till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Shares during such period. During such period, there may be fluctuations in the market price of the Shares. The Acquirers makes no assurance with respect to the market price of the Shares both during the period that the Offer is open

and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

- The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Draft Letter of Offer/ Detailed Public Statement/ Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirers, or the Manager to the Offer) would be doing so at his/her/their own risk.
- Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the tendering period even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.
- This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirers or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
- The Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.
- This Offer is subject to completion risks as would be applicable to similar transactions.

### **III. Risks relating to Acquirers and the Target Company**

- Acquirers make no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
- The Acquirers cannot provide any assurance with respect to the market price of the Shares of the Target Company before, during or after the Offer and the Acquirers expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

***The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirers, but are only indicative and are not exhaustive. The risk factors do not relate to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation in the Offer by a Shareholder. The Shareholders are advised to consult their stockbroker, or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.***

## INDEX

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<b><i>Sr. No.</i></b>	<b><i>Description</i></b>	<b><i>Page No.</i></b>
1.	Key Definitions	06
2.	Disclaimer Clause	08
3.	Details of the Offer	09
4.	Object of the Acquisition/Offer	12
5.	Background of the Acquirers	13
6.	Background of the Target Company	16
7.	Terms & Conditions of the Offer	22
8.	Procedure for Acceptance and Settlement of the Offer	24
9.	Documents for Inspection	28
10.	Declaration by the Acquirers	29
11.	Form of Acceptance-cum-Acknowledgement	-

## I. KEY DEFINITIONS

<b>Acquirers</b>	Collectively, Acquirer 1 and Acquirer 2
<b>Acquirer 1</b>	Gaurav Kumar residing at H No. 202, Imperial Residency, Tehsil Dera Bassi, SAS Nagar, Mohali-140507, Punjab, India
<b>Acquirer 2</b>	Rajiv Vashisht residing at H No. 129 Tribune Mitra Vihar, Ramgarh Road, Sector 29, Panchkula-134116, Haryana, India
<b>Board of Directors</b>	Board of directors of the Target company
<b>BSE</b>	BSE Limited
<b>CSE</b>	Calcutta Stock Exchange Limited
<b>CDSL</b>	Central Depository Services (India) Limited
<b>Companies Act</b>	The Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time.
<b>Depositories</b>	CDSL and NSDL
<b>Detailed Public Statement/ DPS</b>	Detailed Public Statement dated February 20, 2017 issued by the Manager to the Offer, on behalf of the Acquirers, in relation to the Offer and published in all editions of Financial Express, Jansatta, Tarun Bharat and Daily Suraj on February 21, 2017 in accordance with the Regulations 3(1) and 4 read with Regulations 13(4), 14 and 15(2) and other applicable regulations of the Takeover Regulations.
<b>DP</b>	Depository participant
<b>DTAA</b>	Double Taxation Avoidance Agreement
<b>Equity Share(s)/ Share(s)</b>	The fully paid up equity share(s) of the Target Company having a face value of ₹ 10 (Rupees ten) per equity share
<b>Equity Share Capital / Voting Share Capital</b>	The Issued Subscribed and Paid up Share Capital of the Target Company is 300.02 Lacs comprising of 30,00,200 Equity shares of value 10 each
<b>Escrow Agreement</b>	Escrow Agreement entered between the Acquirers, Escrow Agent and Manager to the Offer
<b>Escrow Bank / Escrow Agent</b>	Axis Bank Limited
<b>FEMA</b>	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
<b>FII(s)</b>	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors
<b>FIPB</b>	Foreign Investment Promotion Board
<b>Form of Acceptance-cum-Acknowledgment</b>	Form of Acceptance-cum-Acknowledgement attached to this Draft Letter of Offer
<b>Identified Date</b>	Monday, 27 March 2017 i.e., the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent
<b>Letter of Offer/ LOF</b>	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
<b>LODR</b>	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
<b>Manager to the Offer</b>	Saffron Capital Advisors Private Limited
<b>NECS</b>	National Electronic Clearing System
<b>NEFT</b>	National Electronic Funds Transfer
<b>NRI</b>	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended
<b>NSDL</b>	National Securities Depository Limited
<b>OCB</b>	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
<b>Offer/Open Offer</b>	The Offer being made by the Acquirers for acquiring upto <b>7,80,052</b> (Seven

	Lac Eighty Thousand and Fifty Two Only) Equity Shares representing 26% of the Voting Share Capital, from the Public Shareholders at the Offer Price payable in cash
<b>Offer Consideration</b>	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ <b>78,00,520</b> (Rupees Seventy Eight Lacs Five Hundred and Twenty only)
<b>Offer Period</b>	Period commencing from February 14, 2017 till the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be.
<b>Offer Price</b>	₹ <b>10</b> (Rupees Ten Only) per Equity Share
<b>Offer Size</b>	Up to <b>7,80,052</b> (Seven Lac Eighty Thousand and Fifty Two Only) Equity Shares representing 26% of the Voting Share Capital
<b>Public Announcement/PA</b>	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirers on February 14, 2017 in accordance with Takeover Regulations
<b>RBI</b>	Reserve Bank of India
<b>Registrar to the Offer</b>	Adroit Corporate Services Private Limited
<b>SCRR</b>	Securities Contract (Regulations) Rules, 1957, as amended
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEBI Act</b>	SEBI Act, 1992, as amended
<b>Stock Exchange</b>	BSE Limited and CSE Limited
<b>Target Company</b>	Regency Investments Limited having its registered office at E 58, Phase-VIII, Industrial Area, Mohali-160071, Punjab, India
<b>Tendering Period</b>	Wednesday, April 12, 2017 to Wednesday, April 26, 2017
<b>Working Day</b>	Working days of SEBI

## II. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF REGENCY INVESTMENTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE TARGET COMPANY WHOSE EQUITY SHARES/ IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 28, 2017 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."



### III. DETAILS OF THE OFFER

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#### A) Background of the Offer

1. The Acquirers intend to acquire up to 7,80,052 (Seven Lac Eighty Thousand and Fifty Two Only) equity shares of face value ₹ 10/- (Rupees Ten only) each, representing 26% of the total Voting Share Capital of the Target Company from the Public Shareholders and acquire control in terms of regulations 3(1) & 4 of the Takeover Regulations.
2. Presently, the existing promoter' shareholding in the Target Company is NIL. Existing promoters of the Target Company are willing to relinquish their rights as promoters and allow the Acquirers to take over the control and management of the Target Company, subject to successful completion of the Open Offer and receipt of all approvals from the regulatory authorities, as may be applicable. The Existing Promoters also intend to be reclassified as non-promoter subject to applicable compliances under Regulation 31A of LODR.
3. There are no partly paid up equity shares in the Target Company.
4. The object of the acquisition is to acquire substantial control over the Management of the Target Company.
5. At present, the Acquirers do not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirers may continue to support the existing business of the Target Company. However, in case the Acquirers intend to build new business it shall be subject to the prior approval of the Shareholders. Upon completion of the Offer, the Acquirers may reorganize the present capital structure of the Company and also further strengthen the Board.
6. The Acquirers hereby make this Offer to all public shareholders of the Target Company to acquire Offer Shares, representing in aggregate 26% of the Voting Share Capital of the Target Company at a price of ₹ 10 (Rupees Ten only) per fully paid up equity share ("**Offer Price**") payable in cash subject to the terms and conditions mentioned in the PA and in the letter of offer that will be circulated to the shareholders in accordance with the Takeover Regulations ("**Letter of Offer**").
7. This Offer is not made pursuant to any indirect acquisition, arrangement or agreement and is not a conditional offer.
8. This Offer is not a result of a global acquisition, an open market purchase or a negotiated deal.
9. The Acquirers vide undertakings dated January 27, 2017 have confirmed that they are not prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.
10. The Committee of Independent Directors of the Board of the Target Company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared latest by Monday, April 10, 2017.

**B) Details of the proposed Offer:**

1. The Public Announcement announcing the Open offer, under Regulation 3(1) and Regulation 4 was made on February 14, 2017 to BSE and CSE and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office

2. The Acquirers have published the DPS on February 21, 2017 which appeared in the following newspapers:

Sr. no.	Newspapers	Language	Editions
1	Financial Express	English	All
2	Jansatta	Hindi	All
3	Tarun Bharat	Marathi	Mumbai
4	Daily Suraj	Hindi	Registered Office

A copy of the DPS is also available on the SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in)

3. The Acquirers intend to acquire up to 7,80,052 (Seven Lac Eighty Thousand and Fifty Two Only) to Equity Shares representing 26% of the fully paid-up voting Equity Share Capital of the Target Company, as of the tenth (10th) working day from the closure of the tendering period, at the Open Offer Price of ₹ 10 (Rupees Ten only) per Equity Share, to be paid in cash, in accordance with the Takeover Regulations and subject to the terms and conditions set out in the Draft Letter of Offer.
4. The acquisition of Offer Shares is subject to receipt of prior approval from RBI under "Non- Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015" in terms of RBI Notification No. DNBR. (PD) 029/CGM(CDS)-2015 dated July 09, 2015 for transfer of management and control of Non- Banking Finance Company. Other than the aforesaid, as of the date of this Draft Letter of Offer, to the best of knowledge of the Acquirers, there are no statutory approvals required by the Acquirers to complete this Offer. However, in case if any such statutory approvals are required by the Acquirers at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such statutory approvals.
5. The Offer is being made to all the Public Shareholders of the Target Company. All Shares validly tendered in the Open Offer will be acquired by the Acquirers in accordance with the terms and conditions set forth in this Draft Letter of Offer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
6. There are no partly paid-up Shares in the Target Company.
7. The Offer is not a competing offer in terms of Regulation 20 of the Takeover Regulations.
8. The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this Detailed Public Statement. They declare and undertake that they shall not deal in the Equity Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.
9. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations.
10. As on the date of this Draft Letter of Offer, the Acquirers do not hold any number of shares in the Target Company. (Source: [www.bseindia.com](http://www.bseindia.com))
11. The Acquirers vide letter dated February 28, 2017, have confirmed that they have not acquired any Shares of Target Company after the date of PA i.e. February 14, 2017, and up to the date of this Draft Letter of Offer.

12. In the event that the Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, the acquisition of Shares from the Eligible Shareholders will be on a proportionate basis, as detailed in paragraph VIII of this Draft Letter of Offer.
13. The Equity Shares of the Target Company are listed on BSE and CSE. As per Regulation 38 of LODR, read with Rule 19(2) and Rule 19A of Securities Contract (Regulation) Rules, 1957 ("SCRR"), the Target Company is required to maintain at least 25% public shareholding (i.e. Shares of the Target Company held by the public as determined in accordance with the SCRR, on a continuous basis for listing). The acquisition of 26% of the Voting Share Capital under this Offer will not result in the public shareholding in the Target Company falling below the level required for continuous listing.
14. The Acquirers have deposited ₹ **19,50,500** (Indian Rupees Nineteen Lacs Fifty Thousand Five Hundred Only) representing more than 25% of the total consideration payable to the Equity Shareholders under this Offer in compliance with the Regulation 17 of the Takeover Regulations.

#### **IV. OBJECT OF THE ACQUISITION/ OFFER**

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1. The object and purpose of the Acquirers for making this Open Offer is to obtain substantial control over the Management of the Target Company.
2. The Acquirers do not have any plans to dispose off or otherwise encumber any assets of the Target Company in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders through a postal ballot.
3. At present, the Acquirers do not have any plans to make major changes to the existing line of business of the Target Company except in the ordinary course of business. The Acquirers may continue to support the existing business of the Target Company. However, in case the Acquirers intend to build new business it shall be subject to the prior approval of the Shareholders. Upon completion of the Offer, the Acquirers may reorganize the present Capital structure of the Company and also further strengthen the Board.

## V. BACKGROUND OF THE ACQUIRERS

### A. GAURAV KUMAR ("Acquirer 1")

- (a) Acquirer 1, aged 40 years, S/o Mr. Ravinder Kumar, is residing at H No. 202, Imperial Residency, Tehsil Dera Bassi, SAS Nagar, Mohali-140507, Punjab, India; Email: abrolg@yahoo.com.
- (b) Acquirer 1 has a Bachelor's degree in Business Administration from Guru Nanak Dev University, Amritsar and a Master's degree in Arts from Kurukshetra University.
- (c) Acquirer 1 has about 10 years of experience in the Financial Market, Retail Banking, Broking and Customer Relations.
- (d) Acquirer 1 is holding a Permanent Account Number- BRJPK2015C

(e) The details of the ventures promoted/controlled/managed by Acquirer 1 are given hereunder:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Designation</b>
1	Campus Talent India Limited	Director

(Source: www.mca.gov.in and Letter dated January 13, 2017 received from Acquirer 1)

- (f) Acquirer 1 has confirmed that he is not categorized as a "willful defaulter" in terms of regulation 2(1)(ze) of the Takeover Regulations.
- (g) Acquirer 1 hereby undertakes and confirms that the companies mentioned in point # e above are not appearing in the willful defaulters list of Reserve Bank of India and are not debarred by SEBI from accessing capital markets as on date.
- (h) Acquirer 1 hereby undertakes and confirms that the companies mentioned under point # e above are not participating or interested or acting in concert in this Open Offer.
- (i) Except as mentioned under point# e above, Acquirer 1 confirms that he does not hold directorships in any company, including a listed company.
- (j) The Networth of Acquirer 1 as on January 30, 2017 is ₹ **1,25,14,005.76/-** (Rupees One Crore Twenty Five Lakh Fourteen Thousand Five and Seventy Six paise only) and the same is certified by CA Surinder Pal Singh, Partner of M/s Kapil Sandeep & Associates , Chartered Accountants (*Membership No: 511569; FRN: 016244N*) having office at S.C.O.10, 2nd Floor, Sector 58 Industrial Area, Mohali, Punjab, India; Email id: ksakapil@yahoo.com, *vide* certificate dated January 30, 2017.
- (k) Acquirer 1 does not hold any equity shares, in the Target Company as on the date of this Draft Letter of Offer.
- (l) Acquirer 1 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act or under any other Regulation made under the SEBI Act.
- (m) Acquirer 1 undertakes not to sell the equity shares of the Target Company held by him during the "Offer Period" in terms of Regulation 25(4) of the Takeover Regulations.
- (n) Acquirer 1 does not belong to any group.
- (o) Acquirer 1 confirms that currently there are no pending litigations pertaining to securities market where he is made party to.
- (p) Acquirer 1 confirms that he is not related to the, Directors or key employees of the Target Company in any manner.

- (q) Acquirer 1 has not held and does not hold any Equity Shares of the Target Company. Therefore the provisions of chapter V of the SEBI (SAST) Regulations, 2011 and provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable to Acquirer 1 as far as the Target Company is concerned

**B. RAJIV VASHISHT (“Acquirer 2”)**

- (a) Acquirer 2, aged 47 years, S/o Ram Dhan Vashisht, is residing at H No. 129 Tribune Mitra Vihar, Ramgarh Road, Sector 29, Panchkula-134116; Email: rajiv.vashisht@gmail.com
- (b) Acquirer 2 holds a Master’s degree in Business Administration from Shivaji University, Kolhapur.
- (c) Acquirer 2 has about 16 years of Job experience in the field of Sales and Finance
- (d) Acquirer 2 is holding a Permanent Account Number- ABZPV4450B
- (e) The details of the ventures promoted/controlled/managed by Acquirer 2 are given hereunder:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Designation</b>
1	Campus Talent India Limited	Director
2	Rajiv Mines & Minerals Private Limited	Director
3	Raconteur Granite Mines Private Limited	Director
4	Raconteur Granite Private Limited	Director
5	Sunergos Securities Private Limited	Director
6	Sunergos Solutions Private Limited	Director
7	Rajiv Sales Corporation	Proprietor

(Source: www.mca.gov.in and letter dated January 13, 2017 received from Acquirer 2)

- (f) Acquirer 2 has confirmed that he is not categorized as a “willful defaulter” in terms of regulation 2(1)(ze) of the Takeover Regulations.
- (g) Acquirer 2 hereby undertakes and confirms that the companies mentioned in point # e above are not appearing in the willful defaulters list of Reserve Bank of India and are not debarred by SEBI from accessing capital markets as on date.
- (h) Acquirer 2 hereby undertakes and confirms that the companies mentioned under point # e above are not participating or interested or acting in concert in this Open Offer.
- (i) Except as mentioned under point # e above, Acquirer 2 confirms that he does not hold directorships in any company, including a listed company.
- (j) The Networth of Acquirer 2 as on February 03, 2017 is ₹ **1,33,35,741.80** (Rupees One Crore Thirty Three Lakh Thirty Five Thousand Seven Hundred Forty One and Eighty Paise Only) and the same is certified by CA Surinder Pal Singh Partner of M/s Kapil Sandeep & Associates, Chartered Accountants (*Membership No 511569 ; FRN: 016244N* ) having office at S.C.O.10, 2nd Floor, Sector 58 Industrial Area, Mohali,(Punjab); Email id: ksakapil@yahoo.com vide certificate dated February 03, 2017
- (k) Acquirer 2 does not hold any equity shares in the Target Company as on the date of this Draft letter of Offer.
- (l) Acquirer 2 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other Regulation made under the SEBI Act.
- (m) Acquirer 2 undertakes not to sell the equity shares of the Target Company held by her during the “Offer Period” in terms of Regulation 25(4) of the Takeover Regulations.

- (n) Acquirer 2 does not belong to any group
- (o) Acquirer 2 confirms that currently there are no pending litigations pertaining to securities market where he is made party to.
- (p) Acquirer 2 confirms that he is not related to the Directors or key employees of the Target Company in any manner.
- (q) Acquirer 2 does not hold any Equity Shares of the Target Company. Therefore the provisions of chapter V of the SEBI (SAST) Regulations, 2011 and provisions of chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto are not applicable to Acquirer 2 as far as the Target Company is concerned

## VI. BACKGROUND OF THE TARGET COMPANY

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

1. The Target Company was incorporated on March 29, 1993 under the Companies Act 1956 as Regency Investments Private Limited. Thereafter, the Target Company was converted into a public company and its name was changed to Regency Investments Limited. A fresh Certificate of Incorporation pursuant to such conversion was issued on December 26, 1994 (Source: Prospectus dated December 21, 1995 for the public issue of Target Company).
2. The registered office of the Target Company is situated at E 58, Phase-VIII, Industrial Area, Mohali 160071 Punjab, India. **Tel:** 0172 25063378, **Email:** regencyinvestmentsltd@gmail.com; **Website:** www.regencyinvestments.co.in. (Source: [www.bseindia.com](http://www.bseindia.com) & [www.mca.gov.in](http://www.mca.gov.in)).
3. The Target Company is a Non Deposit Accepting Non-Banking Financial Company, registered with Reserve Bank of India vide Certificate of Registration Number 06.00100 dated April 27, 1998.
4. Company Identification Number of the Target Company is L67120PB1993PLC013169. (Source: [www.mca.gov.in](http://www.mca.gov.in))
5. The Equity Shares of the Target Company were originally listed on Ludhiana Stock Exchange Limited ("LSE") and Delhi Stock Exchange Limited ("DSE"). LSE and DSE were granted exit as stock exchanges by SEBI vide Whole Time Member Orders dated December 30, 2014 and January 23, 2017 respectively.
6. The Equity Shares of the Target Company are listed on CSE and BSE since February 02, 2015 and November 08, 2016 respectively. (Source: [www.bseindia.com](http://www.bseindia.com) and letter dated February 02, 2015, received from CSE).
7. The main object of the Target Company as per its Memorandum of Association inter-alia includes:-
  - i. To carry on all or any of the business of an investment company, and to underwrite, sub underwrite, Invest, hold, buy, sell or otherwise deal in bonds, stocks, units, shares, debenture, debentures stocks, mortgages, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioner, public body or authority, municipality, company, corporation, firm or person whether incorporated or established in India or elsewhere and for the purpose and to manage investment pools, mutual funds, asset management companies, syndicate in shares, stocks, securities and to take part in formation, supervision or control of the business or operations of any company or undertaking and to act as Issue House, Registrars and Share Transfer Agents.
  - ii. To borrow or receive money on deposits with or without security to advance, deposit, lend or invest money, securities and properties to or with any company, body corporate, firm, person or association whether falling under the same management or otherwise in accordance with and to the extent permissible under the provisions contained in sections 370 and 372 of the Companies Act, 1956, with or without security and on such terms as may be determined from time to time. However, the Company shall not carry out the business of Banking as defined under the Banking Regulations Act, 1949.
  - iii. To purchase for investment or resale and deal in land, house and other property of any tenure and any interest therein, and to create, sell and deal in freehold and leasehold ground rents.
  - iv. To carry on in India or elsewhere in all its branches, the business of hire-purchase, general finance, housing finance, investment and leasing and to provide advisory/consultancy services for leasing, hire-purchase, finance and investment
8. The Authorized Share Capital of the Target Company is ₹ 320.00 Lacs comprising of 32,00,000 Equity Shares of face value ₹ 10 each .The Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 300.02 Lacs comprising of 30,00,200 Lacs Equity Shares of face value ₹ 10 each. (Source: [www.bseindia.com](http://www.bseindia.com) ).



9. There are no outstanding partly paid up shares or any other convertible instruments to be converted into Equity Shares of the Target Company at a future date.
10. The equity shares of the Target Company are currently listed on BSE Limited ("BSE") (Scrip Code: 540175) and on CSE (Scrip Code: 028394) (Source: [www.bseindia.com](http://www.bseindia.com) and [www.cseindia.com](http://www.cseindia.com))
11. The equity shares of the Target Company are not traded on CSE and are not frequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the Takeover Regulations. (Source: [www.bseindia.com](http://www.bseindia.com)).
12. Target Company has paid listing fees to BSE and CSE for the financial year ended March 2016-17.
13. Target Company confirms that the trading in the Equity Shares of the Target Company is not suspended on any of the Stock Exchanges.
14. There has been no change in the name of the Target Company during the last three years.
15. In the year 1996, Target Company made its maiden public issue of 15,00,000 equity shares at a price of ₹ 10/- per equity share aggregating to ₹ 1,50,00,000 for listing its equity shares on Delhi Stock Exchange Limited ("DSE"), Ludhiana Stock Exchange Limited ("LSE"). (Source: Prospectus dated December 21, 1995)
16. There are no Equity Shares that are not listed on the Stock Exchanges. (Source: [www.bseindia.com](http://www.bseindia.com))
17. The capital structure of the Target Company as of the date of this Draft Letter of Offer is:

<b>Issued and Paid-up Equity Share Capital</b>	<b>Number of Equity Shares (Face Value - ₹ 10/-)/Voting Rights</b>	<b>Percentage of Equity Shares/Voting Rights</b>
Fully paid-up equity shares	30,00,200	100
Partly paid-up equity shares	NIL	NIL
Total paid-up equity shares	30,00,200	100
Total Voting Rights in TC	30,00,200	100

18. Target Company confirms that it is in compliance with the requirements of SEBI LODR Regulations and the listing agreement.
19. The Target Company has complied with Chapter II provisions of SEBI (SAST), Regulations 1997 and Chapter V of the Takeover Regulations.
20. As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

<b>Sr. No.</b>	<b>Name, Age and Address</b>	<b>Designation</b>	<b>DIN</b>	<b>Date of Appointment</b>
1.	Ajay Inder Majithia Age: 52 years PAN: AGBPM1748C Address: 133, Sector 21-A, Chandigarh-160021.	Additional Director	00196729	30.04.2008
2.	Rana Randhir Age: 44 years PAN: AEOPR4282D Address: 276, Army Flats	Additional Director	01094470	30.04.2008

	M.D.C, Sector 4, Panchkula-134109			
3.	Nisha Ranka Age: 32 years PAN: ALKPR4505J Address: 103/A, Wing Vardhman Nagar Bldg, Narayan Nagar Rd, Bhy(W), Mumbai-401101	Director	03456003	31.03.2015
4.	Sahara Khanna Age: 34 years PAN: BBCPK1148K Address: 2271, Sector- 44 C, Chandigarh 160047	Whole Time Director	07682859	21.12.2016

(Source: www.mca.gov.in)

21. No merger / demerger / spin off have taken place in the Target Company during the last three years.

22. Brief financial details of the Target Company, as obtained from its audited standalone financial statements as at and for the financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 and Unaudited Financials for the Quarter Ended on September, 2016 are as follows:

(Amount in Lacs)

<b>Profit &amp; Loss Statement</b>	<b>Unaudited Financials for the Quarter Ended on September, 2016</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Total Income	3.57	54.07	7.61	0.35
Total Expenditure	2.53	4.74	6.49	0.11
Profit Before Depreciation Interest and Tax	1.04	49.32	1.11	0.23
Depreciation	-	-	-	-
Interest	-	-	-	-
Extra-Ordinary Item	-	-	-	-
Profit Before Tax	1.04	49.24	1.11	0.23
Provision for Tax	0.11	11.38	0.21	0.05
Profit After Tax	0.93	37.85	0.90	0.18
<b>Balance Sheet Statement</b>	<b>Unaudited Financials for the Quarter Ended on September 2016</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Paid up share capital	300.02	300.02	300.02	300.02
Reserves and Surplus	6.34	5.40	(32.44)	(33.35)
Less: Miscellaneous Expenses not written off	-	-	-	-
<b>Networth</b>	<b>306.36</b>	<b>305.42</b>	<b>267.57</b>	<b>266.66</b>
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Deferred Tax Liabilities (Net)	-	-	-	-
Trade Payables	-	-	-	-
Short Term Provisions	-	-	-	-
Other Current Liabilities	3.98	15.09	8.40	1.69

<b>Total</b>	<b>310.34</b>	<b>320.51</b>	<b>275.97</b>	<b>268.36</b>
Net fixed assets	-	-	-	-
Investments	9.00	43.25	-	266.10
Long Term Loans & Advances	-	-	0.75	0.75
Deferred Tax Assets (Net)	-	-	-	-
Trade Receivables	-	-	-	-
Other Current Assets	298.75	266.12	273.60	-
Cash and Bank Balances	2.59	11.12	1.62	1.51
<b>Total</b>	<b>310.34</b>	<b>320.51</b>	<b>275.97</b>	<b>268.36</b>
<b>Other Financial Data</b>	<b>Unaudited Financials for the Quarter Ended on September 2016</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Dividend (%)	-	-	-	-
Earnings Per Share (Rs.)	0.031	1.26	0.03	0.01
Return on Net worth (%)	0.30	12.39	0.34	0.07
Book Value per share (Rs.)	10.21	10.17	8.91	8.88

23. Pre and Post Offer Shareholding Pattern of the Target Company as on date of this Draft Letter of Offer is and shall be as follows:

Shareholders' Category	Shareholding & voting rights prior to the acquisition and Open Offer		Equity Shares/voting rights agreed to be acquired which has triggered the Regulations		Equity Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter/ promoter group	-	-	-	-	-	-	-	-
a. Parties to agreement, if any	-	-	-	-	-	-	-	-
b. Promoters other than (a) above	-	-	-	-	-	-	-	-
<b>Total (1)</b>					-	-	-	-
<b>(2) Acquirers</b>	-	-	-	-	<b>7,80,052</b>	<b>26</b>	<b>7,80,052</b>	<b>26</b>
(3) Parties to Agreements other than (1) & (2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirers)	3000200	100	-	-	-	-	2220148	74
<b>Total (4)</b>	<b>3000200</b>	<b>100</b>	-	-	-	-	<b>2220148</b>	<b>74</b>
<b>Grand Total (1+2+3+4)</b>	<b>3000200</b>	<b>100</b>	-	-	<b>7,80,052</b>	<b>26</b>	<b>3000200</b>	<b>100.00</b>

<sup>^</sup> Note: Since the existing promoters of Target Company do not hold any equity shares in the Target Company, there is no agreement with the Acquirers. The Offer is made in compliance with Regulations 3(1) & 4 of the Takeover Regulations

## 24. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A) JUSTIFICATION FOR THE OFFER PRICE

1. The equity shares of the Target Company are listed on BSE and CSE.
2. The equity shares of the Target Company are infrequently traded on BSE not traded on CSE
3. The annualized trading turnover in the equity shares of the Target Company on BSE based on trading volume during the twelve calendar months prior to the month of PA **February 01, 2016 to January 31, 2017** is as given below:

Stock Exchange	<sup>^</sup> Total no. of equity shares traded during the twelve calendar months prior to the month of PA	Total no. of listed equity shares	Annualized trading turnover (as % of shares listed)
BSE	56,886	30,00,200	1.90%

(Source: [www.bseindia.com](http://www.bseindia.com))

<sup>^</sup> Equity Shares of the Target Company are not traded on CSE and are listed and traded on BSE since November 08, 2016 only. Hence market data for the Equity Shares of the Target Company on BSE is available only from the period November 08, 2016 and has been accordingly considered for the above table.

4. Based on the information provided in point above, the equity shares of the Target Company are **infrequently traded** on the BSE within the meaning of explanation provided in regulation 2(1)(j) of the Takeover Regulations.
5. The Offer Price of ₹ **10/-** (Rupees Ten only) is justified in terms of regulation 8 of the Takeover Regulations, **being the highest of the following:**

a)	Highest negotiated price per share for acquisition under the SPA;	Not Applicable
b)	The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirers or by any person(s) acting in concert, during the fifty-two weeks immediately preceding the date of public announcement;	Not Applicable
c)	The highest price paid or payable for any acquisition, whether by the Acquirers or by any person(s) acting in concert, during the twenty-six weeks immediately preceding the date of the Public Announcement	Not Applicable
d)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period	Not Applicable
e)	Where the shares are not frequently traded, the price determined by the Acquirers and the Manager to the Open Offer taking into account valuation parameters per Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	₹9.84/-*
	Other Financial Parameters as at March 31, 2016	
	Return on Networth (%)	12.39
	Book Value per share (₹)	10.18
	Earnings per share (Diluted) (₹)	1.26

<sup>^</sup> CA Rakesh Gupta, proprietor of STRG & Associates, Chartered Accountants (Membership No. 09040; FRN: 014826N) having office at 348, 1st Floor, Tarun Enclave, Pitam Pura, New Delhi-110088; Email id: [info@strg.co.in](mailto:info@strg.co.in), vide certificate dated January 18, 2017, has certified that he has in terms of Supreme Court decision in the case of Hindustan Lever Employee Union V/s. Hindustan Lever Limited (1995) (83 Companies Cases 30), considered the (i) Net Assets Value ("NAV") Method, (ii) Price Earning Capacity Valuation ("PECV") Method and Market Price method and accorded weights of 3,2 and 1 respectively to the values arrived at under each methodology for the purpose of arriving at the fair value for the Shares of the Target Company. As per the certification given, the Fair Value has been arrived at Rs. 9.84 per Equity Share ("Fair Market Value").

The Open Offer is being made at a price of ₹ 10/- which is higher of the Fair Market Value arrived, hence justified.

6. In view of the above parameters considered and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹ 10/- per equity share is justified in terms of regulation 8 of the Takeover Regulations.
7. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
8. There has been no revision in the Offer Price or to the size of this Offer as on the date of this Draft Letter of Offer.
9. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last three working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the Takeover Regulations. In the event of such revision, the Acquirers shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph V(4) of the DPS; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.

#### **B) FINANCIAL ARRANGEMENTS**

1. Assuming full acceptance, the total funds requirements to meet this Offer is ₹ 78,00,520 (Rupees Seventy Eight Lac Five Hundred Twenty Only).
2. Acquirers have adequate resources to meet the financial obligations of the Offer. No funds are borrowed from banks or financial institution for the purpose of this Offer by the Acquirers. CA Surinder Pal Singh Partner of M/s Kapil Sandeep & Associates, Chartered Accountants (*Membership No. 511569; FRN: 016244N*) having office at S.C.O.10, 2nd Floor, Sector 58 Industrial Area, Mohali, (Punjab); Email id: ksakapil@yahoo.com, vide certificates dated January 30, 2017 and February 03, 2017 has confirmed that sufficient resources are available with the Acquirer 1 and Acquirer 2 respectively for fulfilling the obligations under this 'Offer' in full.
3. In accordance with Regulation 17(1) of the Takeover Regulations, the Acquirers have opened an escrow cash account **"RIL- OPEN OFFER ESCROW ACCOUNT" bearing account No. 917020019667284 ("Escrow Cash Account")** with Axis Bank Limited, a company incorporated under the Companies Act, 1956 of India and carrying on business as a banking company under the Banking Regulation Act, 1949, having its registered office at Trishul, 3rd Floor, Opposite Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad-380006, Gujarat and acting for the purpose of this agreement through its branch situated at Chandigarh, Punjab and have made a cash deposit of ₹ 19,50,500 (Rupees Nineteen Lacs Fifty Thousand Five Hundred only) representing more than 25% of the total consideration payable to the Equity Shareholders under this Offer. Escrow Bank vide certificate dated February 17, 2017 has confirmed the credit balance of ₹ 19,50,500 (Rupees Nineteen Lacs Fifty Thousand Five Hundred only) as on February 17, 2017. The Acquirers have empowered the Manager to the Offer to operate and to realize the value of the Escrow Account in terms of the Regulations.
4. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirers, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.
5. The funds required in relation to the Offer have been met from funds from the own funds of the Acquirers.
6. Based on the above, Saffron Capital Advisors Private Limited, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to implement the offer in full accordance with the Takeover Regulations.

## VII. TERMS AND CONDITIONS OF THE OFFER

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1. The tendering period will commence on April 12, 2017 and will close on April 26, 2017
2. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
4. The Identified date for this Offer is March 27, 2017.
5. Target Company has signed agreements with Depositories for offering Shares in dematerialized form. The ISIN Number is INE964R01013. *(Source: www.bseindia.com)*
6. The marketable lot for the Shares of the Target Company for the purpose of this Offer shall be 01. *(Source: www.bseindia.com)*
7. None of the Equity Shares are subject to Lock-in.

### A) ELIGIBILITY FOR ACCEPTING THE OFFER

1. The Letter of Offer shall be mailed to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form (except the present promoter group shareholders and Acquirers) whose names appear in register of Target Company as on March 27, 2017, the Identified Date.
2. This Offer is also open to persons who own Equity Shares in Target Company but are not registered Shareholders as on the Identified date.
3. All Equity Shareholders/Beneficial Owners (except the present promoter group, Shareholders, and the Acquirers) who own Equity Shares of Target Company any time before the closure of the Offer are eligible to participate in the Offer.
4. The Form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, Adroit Corporate Services Pvt Ltd, 17-20, Jaggerbhoy Ind. Easter, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400059, Maharashtra, India; Tel. No.: +91 22 4227 0423 ; Fax No.: +91 22 2850 2748; E-mail:; Contact Person: Surendra V. Gawade 10:00 a.m. to 5:00 p.m. on working days (except Saturdays, Sundays and all public holidays), during the period the Offer is open.
5. The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance will also be available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance from the SEBI's website for applying in the Offer.
6. Unregistered Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Shareholders.
7. The acceptance of this Offer by the Equity Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
8. The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s)/Beneficial owner(s) of Target Company.
9. The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc. during transit and the Equity Shareholders of Target Company are advised to adequately safeguard their interest in this regard.

10. The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
11. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

#### **B) STATUTORY AND OTHER APPROVALS**

1. The acquisition of Sale Shares and Offer Shares are subject to receipt of prior approval from RBI under “Non- Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015” in terms of RBI Notification No. DNBR. (PD) 029/CGM(CDS)-2015 dated July 09, 2015 for transfer of management and control of Non- Banking Finance Company. The Target Company has made application dated February 15, 2017 with Reserve Bank of India for the transfer of management and control to the Acquirers. The approval is currently awaited.
2. As of the date of this DLOF, to the best of the knowledge of the Acquirers, other than the approval mentioned in point#1 above there are no statutory approvals required to implement the Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirers shall make the necessary applications for such approval.
3. If any of the public shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIIs) require any approvals inter alia from the Reserve Bank of India, the Foreign Investment Promotion Board or any regulatory body for the transfer any Equity Shares to the Acquirers, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirers reserves the right to reject the Equity Shares tendered by such shareholders that are not resident in India. Subject to the receipt of statutory and other approvals, if any, the Acquirers shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
4. In terms of Regulation 18(11) of the Takeover Regulations, the Acquirers shall be responsible to pursue all statutory approvals required by the Acquirers in order to complete the Open Offer without any default, neglect or delay. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the Takeover Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the Takeover Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
5. In terms of Regulation 23(1) of the Takeover Regulations, if the approvals mentioned in paragraph VII (B) (1) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirers have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be filed with SEBI, the Stock Exchanges and the registered office of the Target Company.
6. Subject to the receipt of statutory and other approvals, the Acquirers shall complete all procedures relating to this Offer within 10 working days from the date of closure of the tendering period to those Shareholders whose share certificates and/ or other documents are found valid and in order and are accepted for acquisition by the Acquirers.

## VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

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1. The Open Offer shall be implemented by using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.
2. The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE, which shall be the Designated Stock Exchange, in the form of a separate window (“Acquisition Window”)
3. For implementation of the Open Offer, the Acquirers have appointed Berkeley Securities Limited (the “**Buying Broker**”) through whom the purchases and settlements on account of the Open Offer would be made by the Acquirers. The contact details of the Buying Broker are as follows:

Name: Berkeley Securities Limited  
Address: 1, Pocket No. 1, NAC, Chandigarh Kalka Road,  
Manimajra, Chandigarh-160101  
Contact Person: Raman Mittal  
Tel.: +91 172 5257700  
E-mail ID: info@berkeleygains.com

4. All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker**”), during the normal trading hours of the secondary market during the Tendering Period.
5. The Acquisition Window provided by BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for demat equity shares as well as physical equity shares.
6. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period.
7. Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).

### PROCEDURE TO BE FOLLOWED BY SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM:

1. The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:
  - i. The Form of Acceptance-cum-Acknowledgement duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity 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 Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirers;
  - 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 Form of Acceptance-cum-Acknowledgement;
    - 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. Self attested copy of address proof such as valid Adhaar Card, Voter ID, Passport or Driving License.



2. The Selling Broker shall place order on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling Broker shall provide a 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.
3. After placement of order, as mentioned above, the Seller Broker/shareholder shall deliver the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other documents either by registered post or courier or hand delivery to the Registrar to the Offer not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as "Regency Investments Limited – Open Offer".
4. Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA the bid will be accepted else rejected and accordingly the same will be displayed on BSE's Website.
5. 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 dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

**SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN DEMATERIALIZED FORM:**

1. The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker, indicating details of Shares they wish to tender in Open Offer.
2. The Selling Broker shall provide early pay-in of demat shares (except for Custodian Participant orders) to the Clearing Corporation before placing the bids / orders and the same shall be validated at the time of order entry.
3. For Custodian Participant, orders for demat equity shares early pay-in is mandatory prior to confirmation of order by the Custodian. The Custodians shall either confirm or reject orders not later than close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
4. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation, before the opening of the Offer.
5. Upon placing the bid, the seller member(s) shall provide Transaction Registration slip ("TRS") generated by the Exchange Bidding System to the shareholder. TRS will contain details of order submitted like Bid ID No. DP ID, Client ID, No of Shares tendered etc.
6. The Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

**The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. Shareholders holding Equity Shares in physical mode will be required to fill the Form of Acceptance. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance.**

## **ACCEPTANCE OF SHARES**

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

In the event that the number of Equity Shares (including Demat Shares and Physical Shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

## **PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF THE LETTER OF OFFER**

Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

A Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.

The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company. Public Shareholders holding Equity Shares in physical mode will be sent Form of Acceptance along with the Letter of Offer. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the equity shares of the Target Company.

The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and shareholders can also apply by downloading such forms from the said website.

## **SETTLEMENT PROCESS**

On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.

The direct credit of shares shall be given to the demat accounts of the Acquirers indicated by the Acquirers' Buying Broker. For the same, the existing facility of client direct payout in the capital market segment shall be available.

Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the Buying Broker's pool account.

In case of partial or non-acceptance of orders or excess pay-in, Demat Shares shall be released to the securities pool account of the Selling Broker(s) / Custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.

Any excess Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholder(s) directly by Registrar to the Offer.

## **SETTLEMENT OF FUNDS / PAYMENT CONSIDERATION**

### **For Equity Shareholders holding Equity Shares in demat and physical mode:**

The settlement of fund obligation for demat and physical shares shall be effected by clearing corporation. For the equity shares accepted under the open offer, the payment will be made by the Clearing Corporation to the shareholders directly to their bank account.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Public Shareholder will receive funds payout in their settlement bank account.

The funds received from Buyer Broker by the Clearing Corporation will be released directly, to Public Shareholder.

Shareholders who intend to participate in the Offer should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the Selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

## **NOTE ON TAXATION**

### **For Equity Shareholders holding Equity Shares in demat and physical mode:**

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 (twelve) months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are sold will be subject to short term capital gains tax provided the transaction is chargeable to STT.

**SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRERS DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS OFFER.**

## IX. DOCUMENTS FOR INSPECTION

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Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at Centre Point, 605, 6<sup>th</sup> floor, J.B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai-400 059 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- Certificates dated January 30, 2017 and February 03, 2017 issued by CA Surinder Pal Singh Partner of M/s Kapil Sandeep & Associates, Chartered Accountants (*Membership No. 511569; FRN: 016244N*), certifying the net worth of the Acquirers;
- Certificate dated January 30, 2017 and February 03, 2017 issued by CA Surinder Pal Singh Partner of M/s Kapil Sandeep & Associates, Chartered Accountants (*Membership No. 511569; FRN: 016244N*), confirming that the Acquirers have adequate financial resources available for meeting their obligations under the Open Offer;
- Certificate dated July 26, 2016 issued by CA Rakesh Gupta, proprietor of STRG & Associates, Chartered Accountants (*Membership No. 09040; FRN: 014826N*) for the Fair Market Valuation of the Target Company
- Annual reports of the Target Company for the financial years ending March 31, 2016, March 31, 2015 and March 31, 2014;
- Limited Review Report for the unaudited financials for the period ended September 30, 2016;
- Certificate dated February 17, 2017 from Axis Bank Limited confirming the cash deposit of ₹ **19,50,500** (Rupees Nineteen Lacs Fifty Thousand Five Hundred only) in the Escrow Account with a lien marked in favor of the Manager to the Offer;
- Copy of Escrow Agreement between the Acquirers, Manager to the Offer and Escrow Bank;
- Copy of Public Announcement dated **February 14, 2017** published copy of the Detailed Public Statement – dated **February 20, 2017**
- Copy of the comments letter from SEBI; and
- Copy of the Recommendation of the Independent Directors

## **X. DECLARATION BY THE ACQUIRERS**

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For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company the Acquirers have relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirers, jointly and severally, accept full responsibility for the information contained in this Draft Letter of Offer and also accept responsibility for the obligations of the Acquirers as laid down in the Takeover Regulations. The Acquirers shall be jointly and severally responsible for ensuring compliance with the Takeover Regulations.

**For and on behalf of the Acquirers**

**Sd/-**

**Rajiv Vashisht**

Place: Mumbai

Date: February 28, 2017

Encl: 1) Form of Acceptance-cum-Acknowledgement