

INSTRUCTIONS TO MERCHANTBANKERS¹/ FORMAT FOR LETTER OF OFFER

General Instructions:

1. The Merchant bankers are advised to submit two hard copies each of Public Announcement, Detailed Public Statement and draft and final Letter of Offer to SEBI. Further, the softcopies of the above stated documents shall also be provided to SEBI for furnishing the same on SEBI website. Softcopies of the above documents shall be accompanied by a duly filled in checklist.²
2. The purpose of this standard Letter of Offer (LoF) for an open offer made in accordance with Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 is to provide the requisite information about the acquirer(s) / offer so as to enable the shareholders to make an informed decision of either continuing with the Target Company (TC) or to exit from the TC. Care shall be taken by the Manager to the Offer (Manager) to ensure that the LoF may not be technical in legal or financial jargons, but it shall be presented in simple, clear, concise and easily understandable language.
3. This standard LoF enumerates the minimum disclosure requirements to be contained in the LoF of an open offer. The Manager / acquirer is free to add any other disclosure(s) which in his opinion is material for the shareholders, provided such disclosure(s) is not presented in an incomplete, inaccurate or misleading manner and is made in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(hereinafter referred as “the Regulations”) and subsequent amendments thereof.
4. The standard LoF prescribes only the nature of the disclosures that should be contained under various heads in the LoF and is not intended to describe the language to be contained therein.
5. All the financial data shall be in terms of Rupees Lacs / Millions / Crores unless required otherwise (e.g. EPS). When financial data pertains to an overseas entity, the rupee equivalent shall be disclosed in terms of Rs. Lacs / Millions / Crores and the basis of conversion shall also be disclosed. (If so desired, such data may also be disclosed in terms of the monetary unit applicable for that overseas entity).
6. Unless otherwise specified
 - 5.1. Reference to shares (as defined in Regulations 2(1)(v)) shall mean reference to fully paid up shares.
 - 5.2. Information contained in LoF shall be updated as on the date of the LOF.
 - 5.3. The “Regulations” shall mean SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
 - 5.4. The Manager to the Offer (Manager) would mean the Merchant Banker appointed by the acquirer in terms of regulation 12.

¹ Inserted on 22nd November, 2011.

² Inserted on 22nd November, 2011.

- 5.5. The Registrar to the Offer would mean an entity registered with SEBI under SEBI (Registrar to Issue and Share Transfer Agents) Rules and Regulations, 1993.
7. All the requisite disclosures/statements in respect of the acquirer(s), persons who are acting in concert with the acquirer for the purpose of the offer (PAC) and persons who are deemed to be acting in concert with the acquirers for the purpose of the offer (PAC) shall be made in the Letter Of Offer.
 8. The Form of acceptance cum acknowledgement may be with a perforation.
 9. The source from which data / information is obtained should be mentioned in the relevant pages of LoF.
 10. Manager shall ensure that the timelines specified for identified date, for opening of the tendering period, for tendering period, for payment of consideration to shareholders, etc. are as per the timelines specified in the Regulations.
 11. Manager shall submit the Due Diligence Certificate and other documents in terms of Regulations to SEBI along with the draft LoF as per the standardized format.
 12. Further, the Manager, while filing the draft Letter of Offer, shall also be required to separately file with SEBI, the following additional information about the acquirer, TC, its promoters, etc -
 - a) Due Diligence Certificate in terms of Regulations.
 - b) Details of Chapter II (1997 Regulations) / Chapter V (2011 Regulations) compliance by the TC as well as sellers, promoters, other major shareholders, Acquirer and PAC within the time specified in the Regulations. Delay or non-compliance with these provisions if any, may be disclosed. In case of delay or non compliance, disclose the complete address of the said person along with phone/fax numbers together with individual holding. **The format for submission for the above mentioned document is placed here.**³
 - c) Names and residential addresses of Board of Directors of acquirer(s).
 - d) Status of compliance with the applicable provisions of the SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act, 1992 and other statutory requirements with respect to details of the earlier acquisitions, if any made in the TC by the Acquirer and PAC including acquisition made through open offers. Change in shareholding pursuant to the said acquisition/offers and thereafter, if any, as applicable. **The format for submission for the above mentioned document is placed here.**⁴
 - e) The build-up of current capital structure of the company since inception shall be provided as per the specified **format**⁵. Further, disclose changes in the holding of promoters/promoter group as per the format specified. In this regard, disclose status of compliance with the applicable provisions of the SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act, 1992 and other statutory requirements, as applicable.

³ Inserted on 22nd November, 2011.

⁴ Inserted on 22nd November, 2011.

⁵ Inserted on 22nd November, 2011.

- f) Detailed reasons of suspension of trading of the shares in any Stock Exchange(s), as applicable. What steps have been taken by the TC to resume/ regularize the trading.
- g) Detailed reasons of non-listing of some and/or all shares of the company at any Stock Exchange(s), as applicable. What steps has been taken by the company to regularize the listing.
- h) Compliance status with the listing requirements and the penal actions, if any, taken by the Stock Exchanges. In the absence of any punitive action, make a specific statement to such effect.
- i) Details of the change in shareholding of the promoters as and when it happened in the TC. In this regard, disclose status of compliance with the applicable provisions of the SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act, 1992 and other statutory requirements, as applicable.

Format of the Standard Letter of Offer:

The sequence of presentation in LoF shall be as under:

1. Cover page
2. Disclaimer clause
3. Details of the offer
4. Background of the Acquirer(s) (including PACs, if any).
5. Background of the TC
6. Offer price and financial arrangements
7. Terms & Conditions of the offer
8. Procedure for acceptance and settlement of the offer.
9. Documents for inspection
10. Declaration by the Acquirer(s) (including PACs, if any).

1) COVER PAGE

Cover pages shall be white with no patterns or pictures printed on it except emblems/ logo, if any, of the acquirer company / Manager / Registrar.

A) Front outer cover page shall contain the following details :

i) On Top

“ This Document is important and requires your immediate attention.”

This LoF is sent to you as a shareholder(s) of (name of the TC). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager / Registrar to the offer (the latter only if appointed). In case you have recently sold your shares in the Company, please hand over this LoF and the accompanying Form of Acceptance cum acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.”

ii) In middle in a box

1. Name and address of the Acquirer(s) (including names of PACs, if any with him.) along with their telephone and fax numbers.
2. Name and address of the registered office of the TC along with its telephone and fax numbers.
3. Number and percentage of equity shares of TC proposed to be acquired by acquirer(s) through the open offer. Ensure that the percentage is calculated and disclosed w.r.t. total share/ voting capital of the TC on a fully diluted basis.
4. Offer price per share in terms of rupees. Indicate separately the offer price for fully paid up equity shares as well as partly paid up equity shares, if any, of the TC. Disclose the mode of payment (i.e. cash, exchange of securities etc.). Where the offer price is by way of exchange of securities etc., the disclosures should be made accordingly.
5. A statement that the offer is pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
6. If the offer is conditional, specify conditions viz minimum level of acceptance, differential pricing, if any.
7. If the offer is a competing offer, mention that the competing offer is made pursuant to an open offer made by the original bidder (name) and that the competing offer has been made as the regulations..
8. Mention the statutory approval(s), if any, required to implement the offer and its current status.
9. A statement that upward revision/withdrawal, if any, of the offer would be informed by way of the Issue Opening P.A. in the same newspapers where the original Detailed Public Statement has appeared. Indicate the last date for such revision. Also mention that the same price would be payable by the acquirer(s) for all the shares tendered anytime during the offer.

10. Disclose the following in bold

A. “ If there is competing offer :

1. The public offers under all the subsisting bids shall open and close on the same date.

B. If there is no competing offer:

A statement confirming that there was no competing offer.

12. A statement that a copy of public announcement, detailed public statement and LoF (including form of acceptance cum acknowledgment) is also available on SEBI’s website (www.sebi.gov.in)

iii) At the bottom

1. The name of Manager and address of the dealing office of Manager along with its telephone, fax number and email address, contact person.
2. The name and address of the Registrar to the offer, along with its telephone, fax number and email address, contact person.
3. Disclose the schedule of the activities as per the following table. Further also disclose the day along with the dates in the activity schedule e.g. January 3, 2011 (Monday).

Activity	Day and date
Public Announcement (PA) Date	
Detailed Public Statement (DPS) Date	
Last date for a competing offer	
Identified Date	
Date by which LoF will be despatched to the shareholders	
Issue Opening PA Date	
Last date by which Board of TC shall give its recommendation	
Date of commencement of tendering period (Offer opening Date)	
Date of expiry of tendering period (Offer closing Date)	
Date by which all requirements including payment of consideration would be completed.	

B) Front inside cover page shall contain the following

- i) Risk factors relating to the transaction, the proposed offer and the probable risk involved in associating with the acquirer(s).
- ii) On top

An index as follows:

Sr. No.	Subject	Page No.
1	Disclaimer clauses	
2	Details of the offer	
3	Background of the Acquirer(s) (including PACs , if any).	
4	Background of the TC	
5	Offer Price and Financial arrangements	
6	Terms & Conditions of the offer	
7	Procedure for acceptance and settlement of the offer.	
8	Documents for inspection	
9	Declaration by the Acquirer(s) (including PACs, if any)	

iii) At the Bottom

Definitions of the specialized terms used in the LoF for easy understanding by the shareholders viz TC, Acquirers, PACs, Regulations, etc. No other terms should be used in the LoF for entities

defined as such in the Regulations. (eg. the word offeror(s) should not be used to refer the term acquirer(s)).

2. DISCLAIMER CLAUSE

The following on the first page of Letter of Offer:

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF 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 (NAME OF THE TARGET CO.) TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S), PACs OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER(S) IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER(S) DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (INDICATE NAME) HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED _____ TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER..”

3. DETAILS OF THE OFFER

3.1 Background of the offer

- 3.1.1 Mention the Regulation in accordance with which the offer is made i.e. mention whether the offer is a voluntary offer, is made for substantial acquisition of shares or Consolidation of holdings and/or Change in Control or a Competing Offer.
- 3.1.2 Details of the proposed acquisition (substantial acquisition of shares/voting rights or change in control or both) which triggered the open offer such as name(s) of acquirer(s) and of PACs, their existing share holding in the TC, whether it was a negotiated deal or open market purchase(s) or whether offer is as a result of global acquisition resulting in indirect acquisition of the TC, acquisition price per share (highest and average), number and percentage of shares acquired, etc.
- 3.1.3 In case there is any agreement, mention important features of the agreement(s), acquisition price per share (highest and average as well as separately for fully paid and partly paid up), number and percentage of shares to be acquired under the agreement, name of the seller(s), names of parties to the agreement, date of agreement, manner of payment of consideration, proposed change in control, if any,
- 3.1.4 Salient features of the agreement, if any, entered between the acquirer and PAC with regard to the offer/ acquisition of shares

- 3.1.5 Whether the proposed change in control is through an arrangement. Give salient features of the arrangement.
- 3.1.6 Whether any of acquirer(s) / PAC has been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act.
- 3.1.7 Proposed change, if any, in Board of Directors after the offer, mentioning names of the Directors representing acquirers.
- 3.1.8 A statement stating that the Board of the TC will come out with a recommendation for the Offer before the date of commencement of Offer.

3.2 Details of the proposed offer

- 3.2.1 Mention names, dates and editions of the newspapers where the detailed public statement appeared. Disclose the detailed public statement is also available on the SEBI website at www.sebi.gov.in.
- 3.2.2 Indicate the number and percentage of shares proposed to be acquired by the acquirers from the existing shareholders and the mode of payment of consideration, if it is in cash, then the offer price per share shall be mentioned, if by way of exchange of shares/ secured instruments, then, inter-alia, the exchange ratio to be disclosed.
- 3.2.3 In case, there are fully paid up and partly paid up shares, offer price for both shall be mentioned separately.
- 3.2.4 Differential price, if any, to be disclosed.
- 3.2.5 In case of competing offers, the competing bidder shall also disclose the following details:
 - 3.2.5.a. The fact that his offer is competing offer made pursuant to the open offer made by the original bidder.
 - 3.2.5.b. Details of the original offer such as name of the original acquirer(s), name of the Manager, number and % of shares bid for, offer price, mode of payment, opening date.
 - 3.2.5.c. Any other relevant information
- 3.2.6 In case of the conditional offer, specify the following :
 - 3.2.6.a. Minimum level of acceptance (no. and % of shares)
 - 3.2.6.b. Differential price, if any.
- 3.2.7 Disclose details of further acquisition(s), if any, by acquirer(s)/ PACs after the date of P.A and upto the date of LoFviz., no. and % of shares acquired, mode and acquisition price etc.
- 3.2.8 Details of the competing offer, if any.

3.3 Object of the acquisition/ offer

- 3.3.1 Disclose in details the reasons of acquiring shares or control over the TC and/or consolidation of share holding in the TC alongwith the long term commercial justification for the proposed offer.
- 3.3.2 Provide details of the acquirer's intentions regarding the future business of the TC together with his strategic plans for the TC and their likely repercussions on employment and the locations of the TC's places of business.

4. BACKGROUND OF THE ACQUIRER (INCLUDING PACs, IF ANY)

4.1 If acquirer(s) (including PACs) is a company

- 4.1.1 The relationship, if any, existing between them
- 4.1.2 Brief History & Major areas of operations.
- 4.1.3 Identity of the promoters and /or persons having control over such companies and the group, if any, to which such companies belong to.
- 4.1.4 Confirm and disclose as to whether the applicable provisions of chapter V of SEBI Takeover Regulations, 2011 (or Chapter II of the SEBI Takeover Regulations, 1997, as the case may be) has been complied with by acquirer/ PACs within the time specified in the Regulations. Delay or non-compliance with these provisions if any, may be disclosed in the LoF.
- 4.1.5 Share holding pattern as under. [Key categories as per the relevant jurisdiction]

Sl. No	Shareholder's Category	No. and Percentage of Shares held
1	Promoters	
2	FII/ Mutual-Funds/ FIs/Banks	
3	Public	
	Total Paid Up Capital	

- 4.1.6 Names and D.I.N (if applicable) of Board of Directors of acquirer(s). Confirm whether any of such director(s) is already on the Board of Directors of TC. If so, disclosures thereof.
- 4.1.7 Details of the experience, qualifications, date of appointment of the Board of Directors.
- 4.1.8 Brief audited financial details for a period of last three years. The subsequent certified financial data should also be disclosed so that the financials are not older than six months from the Detailed Public Statement's date.

(Amount Rs. In lacs)

Profit & Loss Statement	Year I	Year II	Year III
Income from operations			

Other Income			
Total Income			
Total Expenditure.			
Profit Before Depreciation Interest and Tax			
Depreciation			
Interest			
Profit Before Tax			
Provision for Tax			
Profit After Tax			
Balance Sheet Statement	Year I	Year II	Year III
Sources of funds			
Paid up share capital			
Reserves and Surplus (excluding revaluation reserves)			
Networth			
Secured loans			
Unsecured loans			
Total			
Uses of funds			
Net fixed assets			
Investments			
Net current assets			
Total miscellaneous expenditure not written off			
Total			
Other Financial Data	Year I	Year II	Year III
Dividend (%)			
Earning Per Share			

4.1.9 Ensure that the un-audited financial results, if any disclosed, should be certified / limited review by statutory auditors.

4.1.10 Disclose the major contingent liabilities

4.1.11 In case of acquirer being a listed company, disclose:

4.1.11.1 Name of the stock exchanges where the shares of acquirer are listed/traded in the permitted category, if acquirer is a listed company.

4.1.11.2 Market Price of shares.

4.1.11.3 The status of Corporate Governance

4.1.11.4 The name and other details of the Compliance Officer.

4.1.11.5 In case the offer price is payable in terms of securities as provided in Regulation 9(1)(b) and 9(1)(c) and (d) of the Regulations, the following may be given :

(a) Following details about the acquirer or PAC whose securities are being offered.–

- Give relevant details of any merger/demerger, spin off during last 3 years involving the acquirer or PAC, as the case may be Change in name since incorporation/listing and dates thereof.
- The following information in respect of all listed Indian companies promoted by the acquirer or PACs as the case may be for the last three years based on the audited statements
- Name of Company,
- Nature of Business,
- Equity capital, Reserves (excluding revaluation reserves),
- Total Income,
- Profit After Tax (PAT),
- Mention if any of the companies stated above is a sick industrial company.

(b) All disclosures including that of litigations pertaining to the acquirer or PAC (depending upon whose securities are being offered) which in opinion of Manager to the offer, are material for the shareholder to make an informed decision to invest in the acquirer or PAC, as the case may be, while making a decision to exit the TC.

4.2 If Acquirer(s) (including PACs, if any) is an individual

4.2.1 The relationship, if any, existing between the PAC

4.2.2 Principal areas of business and relevant experience

4.2.3 Net Worth duly certified by a Chartered Accountant

4.2.4 Confirm and disclose as to whether the applicable provisions of chapter V of SEBI Takeover Regulations, 2011 (or Chapter II of the SEBI Takeover Regulations, 1997, as the case may be) has been complied with by acquirer/ PACs within the time specified in the Regulations. Delay or non-compliance with these provisions if any, may be disclosed in the letter of offer.

4.2.5 Positions held on the Board of directors of any listed company (ies)

4.2.6 Name (s) of the company where individual is a whole time director.

4.2.7 Disclose the details of the earlier acquisitions, if any made in the TC including acquisition made through open offers. Change in shareholding pursuant to the said acquisition/offers and thereafter, if any.

5. BACKGROUND OF THE TC [to be restricted only to relevant information from public domain]

5.1 Share capital structure of the TC

Paid up Equity Shares of TC	No. of Shares/voting rights	% of shares/voting rights
Fully paid up equity shares		
Partly paid up equity shares		
Total paid up equity shares		
Total voting rights in TC		

5.2 If shares are currently suspended, disclose the reasons of suspension of trading of the shares in any Stock Exchange(s), as applicable. What steps has been taken by the TC to resume/ regularize the trading.

Profit & Loss Statement	Year I	Year II	Year III
Total miscellaneous expenditure not written off			
Total Income from operations			
Other Income			
Other Financial Data	Year I	Year II	Year III
Dividend (%)			
Total Expenditure.			
Earnings Per Share			
Profit Before Depreciation			
Return on Networth			
Interest and Tax			
Book Value Per Share			
Depreciation			
Interest			
Profit Before Tax			
Provision for Tax			
Profit After Tax			
Balance Sheet Statement	Year I	Year II	Year III
Sources of funds			
Paid up share capital			
Reserves and Surplus (excluding revaluation reserves)			
Networth			
Secured loans			
Unsecured loans			
Total			
Uses of funds			
Net fixed assets			
Investments			
Net current assets			

5.3 In case some shares are currently not listed, disclose the detailed reasons of non-listing of some and/or all shares of the company at any Stock Exchange(s), as applicable. What steps has been taken by the company to regularize the listing.

5.4 Indicate whether there are any outstanding convertible instruments (warrants /FCDs/PCDs) etc. and whether the same have been taken into account for calculating voting rights of TC and reasons therefore. In case there are partly paid up shares, disclose about status of their voting rights.

5.5 Present composition of the Board of Directors. Indicate the names of director(s), if any, representing the acquirer on the Board of the TC and their dates of appointment.

5.6 Relevant details of any merger/de-merger, spin off during last 3 years involving the TC. Change of name since incorporation/listing and dates thereof.

5.7 Brief audited financial details for a period of last three years. The subsequent certified financial data should also be disclosed so that the financials are not older than six months from the P.A. date.

[Interim financials as filed with SEs based on limited review]

(Amount Rs. In lacs)

5.8 Ensure that the un-audited financial results, if any disclosed, should be certified by statutory auditors. [Limited reviewed as filed with SEs]

5.9 Pre and Post- Offer share holding pattern of the TC as per the following table

As on the date of letter of offer

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer.		Shares /voting rights agreed to be acquired which triggered off the Regulations.		Shares/voting rights to be acquired in open offer (Assuming full acceptance s)		Share holding / voting rights after the acquisition and offer.	
	(A)		(B)		(C)		(A)+(B)+(C) =(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to agreement, if any								
b. Promoters other than (a) above								
Total 1(a+b)								
(2) Acquirers								
a. Main Acquirer**	@							
b. PACs **								

Total 2(a+b)								
(3) Parties to agreement other than (1) (a) & (2)								
(4) Public (other than parties to agreement, acquirers & PACs)								
a. FIs/MFs/FIIs/Banks, SFIs (Indicate names)								
b. Others								
(Indicate the total number of shareholders in "Public category")								
Total (4)(a+b)								
GRAND TOTAL (1+2+3+4)								

** If more than one acquirer / PACs, details shall be given for each separately.

@ Also include shares of TC, purchased by acquirers and PACs, if any, after the Public announcement till the date of letter of offer.

Note: The percentage holding shall be taken on the basis of diluted share capital as defined in the SAST 2011 Regulations.

If acquirer is coming in joint control with the existing promoters, their total holding shall be shown as "shareholding of promoters"

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer price

6.1.1 Direct Acquisition

6.1.2 Indirect Acquisition

6.2 Financial arrangements :

6.2.1 Disclose the total amount of funds required to make the payment of consideration for the shares tendered during the open offer (assuming full acceptances) and at the highest price, if the offer is subject to differential pricing.

6.2.2 Disclosures about the amount deposited in escrow account.

6.2.3 In case, the escrow account consists of cash deposit, disclose the name and address of the bank, where cash amount has been deposited. Also ensure and disclose that the

MB has been empowered to operate the escrow account in accordance with the Regulations.

- 6.2.4 In case the escrow account consists of a Bank guarantee, disclose the name and address of the bank. Also disclose that bank guarantee is valid at least for a period commencing from the date of PA until 30 days after the closure of the offer. Also ensure that bank guarantee is sought from a bank who is not associate of or group of the acquirer or TC. Disclose that the Bank Guarantee is in favour of Merchant Banker.
- 6.2.5 In case, the escrow account consists of a deposit of securities, give the following details:
 - 6.2.5.1 Disclose the Name, quantity, face value, paid up value, market price on the date of creation of escrow account, the margin etc.
 - 6.2.5.2 Disclose whether they are free of lien/encumbrances.
 - 6.2.5.3 Disclose whether they are carrying voting rights and if so, details about the suspension or freeze of voting rights, if any.
 - 6.2.5.4 Disclose who is holding the securities and whether NOC has been obtained from the holder for depositing the same in the escrow account.
 - 6.2.5.5 Disclose that the Manager has been empowered by acquirer to realise the value of such escrow account by sale or otherwise.
 - 6.2.5.6 Disclose that if there is any deficit on realisation of value of the securities, the Manager shall make good any such deficit.
- 6.2.6 In case the escrow account consists of a Bank guarantee or deposit of approved securities, disclose the name and address of bank where cash deposit of at least 1% of the total consideration payable, is made.
- 6.2.7 Ensure and disclose that the acquirer has adequate and firm financial resources to fulfil the obligations under the open offer. Disclosures regarding sources of funds should be made.
- 6.2.8 Disclose the date of certificate, name, complete address (including telephone, Fax number) and membership number of the Chartered Accountant certifying the adequacy of financial resources of acquirer for fulfilling all the obligations under the offer.
- 6.2.9 Ensure and disclose that Manager has satisfied himself about the ability of the acquirer to implement the offer in accordance with the Regulations.
- 6.2.10 In case the acquirer is a foreign body, disclose the details of the escrow account opened abroad, pending RBI permission for opening the same in India. Ensure and disclose that on receipt of RBI permission, the escrow account would be transferred in India. If amount kept therein is in foreign currency, disclose the equivalent amount in INR with rate of conversion as on the date of letter of offer. Also ensure and

disclose that the minimum amount as stipulated in the Regulations would be maintained at all times irrespective of the fluctuations in the conversion rate.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 All the operational terms and conditions subject to which acquirer(s) would accept the offer should be disclosed. The conditions mentioned in the LoF should not be in violation of the provisions contained in the Regulations.

7.2 **Locked in shares:** Regarding acceptance of locked-in shares, whether acquired pursuant to the agreement or the offer, the same can be transferred to the acquirer subject to the continuation of the residual lock -in period in the hands of the acquirer. Manager shall ensure that there shall be no discrimination in the acceptance of locked-in and non locked-in shares

7.3 Eligibility for accepting the offer: Disclose as to who are eligible to tender shares in the offer.

7.4 **Statutory and other approvals:** Mention the nature of statutory approvals required for the offer. Disclose the current status of such approval. A statement that no approval other than those mentioned is required for the purpose of this offer shall be incorporated. Also disclose the conditions stipulated in the underlying agreement, meeting of which are outside the reasonable control of acquirer, and in view of which the offer might be withdrawn under regulation 23 of the SEBI (SAST) Regulations, 2011.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1 Procedure for accepting the offer by eligible persons shall be mentioned indicating

Name and Address of the entities (merchant banker/ registrar) to whom the shares should be sent including name of the contact person, telephone no., fax no. and email address etc.	Working days and timings	Mode of delivery

Mention all the relevant documents viz. Form of Acceptance cum acknowledgement, Original share Certificate, valid transfer deed required to be tendered. Disclose that shares and other relevant documents should not be sent to the acquirer/PACs/ TC.

8.2 Procedure for acceptance of the offer by unregistered shareholders, owners of shares who have sent them for transfer or those who did not receive the Letter of Offer

8.2.1 Procedure for said persons shall be specified. The option of applying on plain paper giving all relevant details and forwarding relevant documents along with it, shall necessarily be given to such shareholders. Alternatively, such shareholders, if they so desire, may apply on the form of acceptance cum acknowledgement obtained from

the website (www.sebi.gov.in) . It shall be noted that no indemnity is needed from the unregistered shareholders.

8.3 Disclose the relevant provisions pertaining to acceptance of shares when shares offered under the offer by the shareholders are more than the shares agreed to be acquired by the acquirer(s).

8.4 Disclosure about extension of time for payment of consideration and payment of interest should be made.

8.5 Ensure and disclose that the unaccepted shares / documents shall be returned by Registered Post to the shareholders.

8.6 Ensure and disclose that the share certificates would be held in trust by the Manager to the offer / registrar to the offer, as the case may be, till the acquirer completes the offer obligations in terms of Regulations.

8.7 In case, the shares of TC are dematerialized, Manager should ensure to specify all the requisite procedural requirements in the LoF.

8.8 ⁶

9. DOCUMENTS FOR INSPECTION

9.1 For inspection of material documents by public disclose the addresses of the places and timings. Such documents shall include:

9.1.1 Certificate of incorporation, Memorandum and Articles of Association of the Acquirer, in case Acquirer is a company;

9.1.2 C.A. certificate, certifying the net worth of Acquirer(s) in case Acquirer is a individual.

9.1.3 C.A. certificate, certifying the adequacy of financial resources with acquirers to fulfil the open offer obligations.

9.1.4 Audited annual reports of the Acquirer and TC for the last three years.

9.1.5 A letter from the Bank confirming the amount kept in the escrow account and a lien in favour of Manager.

9.1.6 A Copy of the agreement, if any , which triggered the open offer.

⁶ Deleted on 22nd November, 2011. Prior to deletion clause 8.8 read as

In case of non-receipt of the form of withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

a. In case of physical shares: Name, address, distinctive numbers, folio nos. number of shares tendered/withdrawn.

b. In case of dematerialized shares: Name, address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account.

- 9.1.7 A copy of Public Announcement, published copy of the detailed public statement statement, issue opening PA and any corrigendum to these.
- 9.1.8 A copy of the recommendation made by the TC's Board.
- 9.1.9 A copy of the comments letter from SEBI.
- 9.1.10 When Escrow Account consists of approved securities, details of securities such as name, quantity, face value, paid up value, market price on the date of creation of escrow. etc.
- 9.1.11 A copy of the agreement into with Depository Participant for opening a special depository account for the purpose of the offer.
- 9.1.12 Any other relevant document(s).

10. DECLARATION BY THE ACQUIRERS (INCLUDING PACs, IF ANY)

- 10.1 Statements regarding the Acquirer's responsibility for the information contained in the LoF.
- 10.2 A statement to the effect that each of the acquirers (including PACs, if any) would be severally and jointly responsible for ensuring compliance with the Regulations shall be incorporated in the LoF.
- 10.3 LoF shall be signed by the acquirer(s)/owner of Attorney holders on their behalf giving date and place. Manager to ensure and disclose that person(s) signing the LoF is duly and legally authorised by Acquirers (including PACs, if any).

Encl.:
