



# *Chartered Capital And Investment Ltd.*

418-C, "215 ATRIUM", Andheri Kurla Road, Andheri (East), Mumbai-400 093.

Tel.: 91-22-6692 4111 / 6222 • Fax : 91-22-6692 6222

Website : [www.charteredcapital.net](http://www.charteredcapital.net)

CIN NO: L45201GJ1986PLC008577

**Date:** Tuesday, January 31, 2017

To,

**BSE Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai – 400 001

**Ref: Open Offer to the Shareholders of TRC Financial Services Limited (“Target Company”) for acquisition of equity shares / voting rights under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 and subsequent amendments thereto.**

**Sub: Submission of Draft Letter of Offer**

Dear Sir,

In relation to the captioned offer, please find enclosed herewith a copy of the Draft Letter of Offer in compliance with Regulation 18(1) of SEBI (SAST) Regulations, 2011.

Please take it on your record.

Thanking you,

Yours faithfully,

For **Chartered Capital and Investment Limited**

*A.K. Gattani*

**Amit Kumar Gattani**  
(Assistant Vice President)



*Encl: a/a*

**DRAFT LETTER OF OFFER**

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

*This Letter of offer (LOO) is sent to you as shareholder(s) of TRC FINANCIAL SERVICES LIMITED. If you require any clarification about the action to be taken, you may please consult your stock broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in TRC FINANCIAL SERVICES LIMITED, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement (“Acceptance Form”) and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.*

**OPEN OFFER (“Offer”)**

**BY**

**Acquirer**

**JUPITER CAPITAL PRIVATE LIMITED**

**(CIN: U67120KA2004PTC033653)**

**Registered Office: No. 54 Richmond Road, Bangalore 560025;**

**Tel No.: 080 25594911; Email Id: [info.jupitercapital@gmail.com](mailto:info.jupitercapital@gmail.com)**

**TO ACQUIRE**

**upto 13,00,234 (Thirteen Lacs Two Hundred and Thirty Four) equity shares of Rs. 10/- each at an Offer Price of Rs. 18/- (Rupees Eighteen Only) (price determined in terms of Regulation 8(2)) per equity share of Rs 10/- each payable in cash, representing 26.00% of the total paid up equity share capital/ voting capital**

**Pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof**

**OF**

**TRC FINANCIAL SERVICES LIMITED**

**(CIN: L74899MH1994PLC216417)**

**Registered Office: Bandra Hill View CHS, 3<sup>rd</sup> Floor, 85 Hill road, Opp. Yoko Sizzlers, Bandra (West), Mumbai – 400 050; Tel No.: +91 22 26414725; Email Id: [trcfs ltd@gmail.com](mailto:trcfs ltd@gmail.com)**

**ATTENTION:**

1. This Offer is being made by the Acquirer pursuant to Regulations 3(1) and 4 of the SEBI (SAST) Regulations.
2. As on date of this DLOO, this offer is not subject to receipt of any other statutory approvals except for the approval from Reserve Bank of India which is required on account of the Target Company being a Non Deposit taking Non Banking Financial Institution. However, it will be subject to all statutory approvals that may become applicable at a later date as mentioned in Point 7.14.
3. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
4. Upward revision/withdrawal, if any, of the Offer would be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Acquirer is permitted to revise the Offer Size and/or Offer Price upwards only at any time prior to the commencement of the last three working days before the commencement of the Tendering Period *i.e.* Monday, March 06, 2017. The same price will be payable by the Acquirer for all the shares tendered any time during the Tendering Period.
5. **There has been no competing offer as on the date of this Draft Letter of Offer.**
6. **If there is competing offer, the public offer under all the subsisting bids open and close on the same date.**
7. **A copy of Public Announcement (“PA”), Detailed Public Statement (“DPS”) and this Letter of Offer (LOO) along with Form of Acceptance cum Acknowledgement is also available on SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in)**

| MANAGER TO THE OFFER  | REGISTRAR TO THE OFFER  |
|---|---|
| <br><b>Chartered Capital and Investment Limited</b><br>418-C, "215 ATRIUM", Andheri Kurla<br>Road, Andheri (East), Mumbai-400 093<br><b>Tel No.:</b> 022-6692 4111; <b>Fax No.:</b> 022-6692 6222<br><b>Email:</b> <a href="mailto:mumbai@charterredcapital.net">mumbai@charterredcapital.net</a> ,<br><b>website:</b> <a href="http://www.charterredcapital.net">www.charterredcapital.net</a><br><b>Contact Person:</b> Mr. Amitkumar Gattani<br><b>SEBI Registration No. :</b> INM000004018<br><b>Validity Period :</b> Permanent<br><b>CIN No:</b> L45201GJ1986PLC008577 | <b>Purva Sharegistry (India) Pvt. Ltd.</b><br>Unit no. 9, Shiv Shakti Ind. Esstt., J .R. Boricha marg, Opp.<br>Kasturba Hospital Lane, Lower Parel (E), Mumbai - 400<br>011<br><b>Tel No.:</b> 91-22-2301 6761 /8261;<br><b>Fax No.:</b> 91-22-2301 2517<br><b>Email:</b> busicomp@gmail.com,<br><b>website:</b> www.purvashare.com<br><b>Contact Person:</b> Mr. V B Shah<br><b>SEBI Registration No. :</b> INR000001112<br><b>Validity Period :</b> Permanent<br><b>CIN No:</b> U67120MH1993PTC074079 |

### SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

| Sr. No. | Activity   | Day and Date               |
|---------|--|----------------------------|
| 1.      | Date of Public Announcement (PA)   | Monday, January 16, 2017   |
| 2.      | <b>Date of publication of the Detailed Public Statement ( DPS)</b>                       | Monday, January 23, 2017   |
| 3.      | Last date for a competing offer  | Tuesday, February 14, 2017 |
| 4.      | <b>Identified Date*</b>  | Thursday February 23, 2017 |
| 5.      | Date by which Letter of offer (LOO) will be dispatched to the Shareholders               | Friday, March 03, 2017     |
| 6.      | Last date for upward revision of Offer Price and/or Offer Size                           | Monday, March 06, 2017     |
| 7.      | Last date by which Board of Director of the Target Company shall give its recommendation | Wednesday, March 08, 2017  |
| 8.      | Offer Opening Public Announcement  | Thursday, March 09, 2017   |
| 9.      | <b>Date of commencement of Tendering Period (Offer Opening Date)</b>                     | Friday, March 10, 2017     |
| 10.     | <b>Date of Closing of Tendering Period (Offer Closing Date)</b>                          | Friday, March 24, 2017     |
| 11.     | Date by which all requirements including payment of consideration would be completed     | Tuesday, April 11, 2017    |

\* Date falling on the 10<sup>th</sup> Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders to whom the Letter of Offer shall be sent.

## RISK FACTORS

### i. Risk in association with the Transaction and Offer

- To the best of knowledge of the Acquirer, except approval from Reserve Bank of India as the Target Company is engaged in the business of Non-Banking Financial Institution without accepting public deposits, no other statutory approvals are required however; it will be subject to all statutory approvals that may become applicable at a later date. The Acquirer reserve the right to withdraw the Offer in accordance with Regulation 23 (1) (a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.
- In the event that (a) the regulatory approvals are not received in a timely manner; or (b) there is any litigation to stay the offer; or (c) SEBI instructs the Acquirer not to proceed with the offer, then the Offer proceeds may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the public shareholders of TRC, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirer, may be delayed. The tendered equity shares and documents will be held by the Registrar to the Offer, until such time as the process of acceptance of such equity shares and the payment of consideration thereto is completed.
- In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- The equity shares tendered in the Offer will be held in trust in the pool account of the broker / in trust by the Clearing Corporation / Registrar to the Offer until the completion of the Offer (in accordance with the Regulations and other applicable laws, rules and regulations), and the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such equity shares until the completion of the Offer or withdrawal of the Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations. During such period there may be fluctuations in the market price of the equity shares. Accordingly, the Acquirer do not make any assurance with respect to the market price of the equity shares at any time, whether during or upon or after the completion of the Offer, and 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.
- 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 shares under the offer and dispatch of consideration gets delayed.
- In the event of over-subscription to the offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement, DPS or this Draft Letter of Offer or in the advertisements or other materials issued by, or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information (not released by the Acquirer), would be doing so at his/her/their own risk.
- This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer residing 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.
- The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, and the appropriate course of action that they should take. The Acquirers 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

**ii. Risk in association with the Acquirer**

- **The Acquirer makes no assurance with respect to financial performance of the Target Company.**
- **The Acquirer makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.**
- **The Acquirer makes no assurance of market price of shares of the Target Company during or after the offer**
- **The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Draft Letter of Offer (DLOO) / Detailed Public Statement (DPS) / Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk**
- **The Acquirer does not accept the responsibility with respect to the information contained in PA or DPS or DLOO that pertains to the Target Company and has been compiled from publicly available resources**

**The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of TRC or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of TRC are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Shareholder's participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer.**

**CURRENCY OF PRESENTATION**

In this Draft Letter of Offer, all references to “**Rupees**”, “**Rs.**”, “**₹**” or “**INR**” are to Indian Rupees, the official currency of the Republic of India. In this Letter of Offer, any discrepancy in any table between the total and sums of amounts listed are due to rounding off and/or regrouping.

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### 1. DEFINITIONS/ABBREVIATIONS

| Sr. No | Term                                | Definition/Abbreviation  |
|--------|-------------------------------------|--|
| 1.     | Acquirer / JCPL                     | Jupiter Capital Private Limited  |
| 2.     | Book Value Per Share                | [Equity Capital + Free Reserve (excluding Revaluation Reserve)-Debit balance in Profit & Loss A/c – Misc expenditure not written off] / No. of Equity Shares   |
| 3.     | BSE                                 | BSE Limited  |
| 4.     | CDSL                                | Central Depository Services (India) Limited  |
| 5.     | Closure of the Tendering Period     | Friday, March 24, 2017   |
| 6.     | DIN                                 | Director Identification Number   |
| 7.     | Depositories                        | CDSL and NSDL  |
| 8.     | DLOO                                | Draft Letter of Offer filed with SEBI on Tuesday, January 31, 2017   |
| 9.     | DPS or Detailed Public Statement    | Detailed Public Statement appeared in the newspapers on Monday, January 23, 2017   |
| 10.    | Earnings Per Share / EPS            | Profit After Tax available to Equity Shareholders / Weighted Average No. of Equity Shares  |
| 11.    | Eligible Shareholders               | All Equity Shareholders other than the Parties to the SPA and persons deemed to be acting in concert with them   |
| 12.    | Equity Capital/Equity Share Capital | Fully paid up Equity shares/Voting Rights of Rs. 10/- each of Target Company   |
| 13.    | FEMA                                | Foreign Exchange Management Act, 1999, as amended  |
| 14.    | FII                                 | 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 FPIs, such FPIs   |
| 15.    | FPI                                 | Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and includes a person who has been registered under these regulations. Any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration is deemed to be a foreign portfolio investor till the expiry of the block of three years for |

|     |  |  |
|-----|--|--|
|     |  | which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995  |
| 16. | Form of Acceptance or FOA  | Form of Acceptance - cum - Acknowledgement   |
| 17. | Identified Date  | Thursday, February 23, 2017  |
| 18. | Insider Trading Regulations  | SEBI (Prohibition of Insider Trading) Regulations, 1992/2015 and subsequent amendments thereof   |
| 19. | LOO or Letter of offer   | The Letter of Offer dated [●], including the Form of Acceptance-cum-Acknowledgement  |
| 20. | Manager to the Offer / Manager/ Merchant Banker/ CCIL                        | Chartered Capital and Investment Limited   |
| 21. | Networth   | Equity Capital + Free Reserve (excluding Revaluation Reserve) – Debit balance in Profit & Loss A/c – Misc expenditure not written off  |
| 22. | NSDL   | National Securities Depository Limited   |
| 23. | Offer or The Offer or Open Offer   | To acquire upto 13,00,234 (Thirteen Lacs Two Hundred and Thirty Four) equity shares of Rs. 10/- each at an Offer Price of Rs. 18/- (Rupees Eighteen Only) (price determined in terms of Regulation 8(2)) per equity share of Rs 10/- each payable in cash, representing 26.00% of the total paid up equity share capital/ voting capital |
| 24. | Offer Period   | Period between the date of Public Announcement and the date on which payment of consideration to the Shareholders who have accepted the open offer, or the date on which the Offer is withdrawn, as the case may be.   |
| 25. | Offer Price  | Rs.18/- per equity share of Rs 10/- each of the Target Company payable in cash   |
| 26. | Offer Size   | 13,00,234 Equity Shares constituting 26.00% of the Share Capital as of the tenth (10th) Working Day from the closure of the Tendering Period at a price of Rs. 18 (Rupees Eighteen only) per Equity Share, aggregating to 2,34,04,212/- (Rupees Two Crore Thirty Four Lakhs Four Thousand Two Hundred Twelve Only).                      |
| 27. | PAC  | Persons Acting in Concert.   |
| 28. | PAN  | Permanent Account Number   |
| 29. | Public Announcement or “PA”  | Public Announcement of the Open Offer by the Acquirer, made as per SEBI (SAST) Regulations and sent on Monday, January 16, 2017 by Merchant Banker on behalf of Acquirer to BSE Limited (“ <b>BSE</b> ”), <b>Target Company</b> at its Registered Office and to Securities and Exchange Board of India (“ <b>SEBI</b> ”).                |
| 30. | RBI  | Reserve Bank of India  |
| 31. | Registrar or Registrar to the Offer  | Purva Sharegistry (India) Pvt Ltd  |
| 32. | Return on Net worth  | (Profit after Tax available for Equity Shareholders) / (Equity Capital + Free Reserves excluding Revaluation reserve – Debit balance in Profit & Loss A/c – Misc expenditure not written off)  |
| 33. | Rs/ Rupee/INR/’  | Indian Rupee   |
| 34. | SEBI   | Securities and Exchange Board of India   |
| 35. | SEBI (SAST) Regulations, 2011 / Takeover Regulation/ SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof   |
| 36. | SEBI Act   | Securities and Exchange Board of India Act, 1992   |
| 37. | SEBI (ICDR) Regulations  | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment thereto   |

|     |                         |   |
|-----|-------------------------|---|
| 38. | Listing Regulations     | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto  |
| 39. | SCRR                    | Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto  |
| 40. | Sellers                 | Parties to SPA who are selling the shares under SPA and are as mentioned under table on Point 3.1.2 as Sellers.   |
| 41. | Sellers's Equity Shares | 28,96,174 (Twenty Eight Lacs Ninety Six Thousand One Hundred and Seventy Four) equity shares of Rs.10/- each, which represents 57.91% of Target Company to be sold under SPA by Sellers.  |
| 42. | TRC / Target Company    | TRC Financial Services Limited  |
| 43. | SPA                     | Share Purchase Agreement dated Monday, January 16, 2017 to acquire 28,96,174 equity shares of Rs. 10/- each representing 57.91% of the total paid up equity share capital / voting right of the Target Company and to acquire management control of Target Company entered into by the Acquirer and the Sellers |
| 44. | Tendering Period        | Period commencing from Friday, March 10, 2017 and closing on Friday, March 24, 2017 (both days inclusive)   |
| 45. | Working Days            | A working day of SEBI   |

*Note: All terms beginning with a capital letter used in this Draft Letter of Offer, and not specifically defined herein, shall have the same meanings ascribed to them in the SEBI (SAST) Regulations.*

## **2. DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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. THE 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 TRC FINANCIAL SERVICES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PERSONS ACTING IN CONCERT OR THE COMPANY WHOSE SHARES/CONTROL ARE 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 ARE 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 DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED TUESDAY, JANUARY 31, 2017 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.**

## **3. DETAILS OF THE OFFER**

### **3.1 Background of the Offer**

3.1.1 This Open Offer is being made by the Acquirer to the equity shareholders of TRC Financial Services Limited in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations for substantial acquisition of equity shares/ voting rights, accompanied with a change in management control of the Target Company. There is no other person acting in concert with the Acquirer for the purpose of this Offer.

3.1.2 The Acquirer had entered into a Share Purchase Agreement with Sellers on Monday, January 16, 2017 whereas Acquirer agrees to acquire 28,96,174 equity shares of Rs. 10/- each of TRC, which represents 57.91% of the total issued equity share / voting capital of Target Company at a price of Rs. 18/- (Rupees Eighteen Only) per equity share of Rs 10/- each (Negotiated Price) for a total consideration of Rs. 5,21,31,132/- (Rupees Five Crore Twenty One Lacs Thirty One Thousand One Hundred and Thirty Two Only) payable in cash, subject to the terms and conditions as contained in the SPA. The Sellers are Promoters/ Promoter Group of the Target Company and also are in management control of Target Company. The details of Sellers are as under:

| Sr. No | Name of the Sellers             | Residential Address   | No. of Shares held in TRC | % of Share Capital |
|--------|---------------------------------|---|---------------------------|--------------------|
| 1.     | Vijay Mario Sebastian Misquitta | 501, 161/A Shangrilla, St Andrews Road, Near Learners Academy, Bandra (W), Mumbai – 400 050 | 14,43,087                 | 28.86              |
| 2.     | Ajay Dilkush Sarupria           | 901, Quantum Park, Building No. B, Khar Gulab Nagar, Khar Danda, Khar (W), Mumbai – 400052  | 14,53,087                 | 29.06              |
|        | <b>Total</b>                    |   | <b>28,96,174</b>          | <b>57.91</b>       |

3.1.3 Other than Proposed Acquisition through SPA with sellers as mentioned in point 3.1.2 above, Acquirer does not hold any equity shares in the Target Company.

3.1.4 A summary of the salient features of the SPA, which are all subject to detailed terms in the SPA, include the following:

(i) There is no non compete fees separately payable to the Sellers.

(ii) The SPA may be terminated upon the occurrence of any of the following events each of which events are outside the control of the Acquirer as detailed in SPA.

- a. The Parties hereto agree that if they fail to comply with the provisions of the Takeover Regulations, the SPA shall not be acted upon by the Acquirer and/or Sellers.
- b. The Parties hereto agree that if the Acquirer does not receive the necessary statutory approvals, including the RBI Approval, for the acquisition of the Transfer Shares and change of management control in the Target Company and also subject to other statutory approvals as that may become applicable at a later date, the SPA shall not be acted upon.
- c. The Promoters/Sellers breaching or committing any default under any provision of the SPA (including any breach or inaccuracy of its representations and warranties under the SPA).
- d. Winding up petition against or similar process for liquidation/ bankruptcy/ insolvency of the Company or the Promoters admitted in a court or forum of competent jurisdiction or a receiver appointed over its material assets or undertaking or any part of them.

3.1.5 By the above proposed acquisition pursuant to SPA which resulted in triggering of Regulations, the Acquirer will be holding substantial stake and will be in control of the Target Company.

3.1.6 This Offer is being made by the Acquirer in compliance with Regulations 3(1) and 4 read with other applicable provisions of SEBI (SAST) Regulations.

3.1.7 This Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.1.8 The Acquirer, its Directors and Promoters has not been prohibited by SEBI from dealing in securities, in terms of direction u/s 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.9 No other consideration/compensation, in cash or kind, whether directly or indirectly, is being given to the Seller apart from the consideration as stated in Point 3.1.2 above.

- 3.1.10 As on date, the Acquirer proposes to appoint Mr. Sidhartha Mehra, Mr. K Sanjay Prabhu and Mr. Anumanchipalli Srinivas on the Board of the Target Company after the offer.
- 3.1.11 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of Directors of the Target Company will constitute a committee of independent directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

### 3.2 Details of the proposed Offer

- 3.2.1 The Acquirer has made DPS in the following newspapers, namely i) **Business Standard (English)** (all editions), (ii) **Business Standard (Hindi)** (all editions) and (iii) **Mumbai Lakshdeep (Marathi) Maharashtra**, which appeared on Monday, January 23, 2017. The PA and the DPS are also available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in)
- 3.2.2 Acquirer is making this Open Offer in terms of Regulations 3(1) and 4 of SEBI (SAST) Regulations to acquire upto 13,00,234 (Thirteen Lacs Two Hundred and Thirty Four) equity shares of Rs. 10/- each representing 26.00% of the total equity share capital / voting capital subject to the terms and conditions set out in DPS and this DLOO, at a price of Rs. 18/- each (Rupees Eighteen Only) payable in cash. These equity shares which are to be acquired by the Acquirer should be free from liens, charges and encumbrances of any kind whatsoever.
- 3.2.3 This Offer is subject to the receipt of Approval from Reserve Bank of India as the Target Company is engaged in the business of Non-Banking Financial Institution without accepting public deposits, however it will be subject to all statutory approvals that may become applicable at a later date as mentioned in Point 7.14 of this Draft Letter of Offer.
- 3.2.4 As of the date of this Draft Letter of Offer, there is neither partly paid-up shares in the Target Company nor outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company.
- 3.2.5 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 3.2.6 This Offer is not subject to any minimum level of acceptance. Further there is no differential pricing for this Offer.
- 3.2.7 The Acquirer has not acquired any equity shares of the Target Company after the date of Public Announcement *i.e.* Monday, January 16, 2017, till the date of this Draft Letter of Offer.
- 3.2.8 The Equity Shares is listed at BSE. As per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (“SCRR”), the Target Company is required to maintain at least 25% public shareholding, on a continuous basis for listing. If, pursuant to this Offer and upon transfer of shares under SPA, the public shareholding in the Target Company reduces below the minimum level required as per the listing agreement entered into by the Target Company with BSE read with Rule 19A of the SCRR, the Acquirer hereby undertake that their shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.
- 3.2.9 Further, the Acquirer shall not be eligible to make a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2009, unless a period of twelve months have elapsed from the date of completion of the offer period as per regulation 7(5) of the SEBI (SAST) Regulations. 2011

### **3.3 Object of the Acquisition/Offer**

- 3.3.1 The object and purpose of the Acquirer is to achieve substantial acquisition of equity shares/ voting capital and obtain control over the Target Company by (a) acquisition of the equity shares held by the Current Promoters of the Target Company through SPA; and (b) acquisition of equity shares through open offer made under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 3.3.2 The Acquirer will continue existing line of business of the Target Company and any subsequent change in the line of activity shall be effected by taking the necessary approvals. However, depending on the requirements and expediency of the business situation and subject to the provisions of all applicable laws, rules and regulations, the Board of Directors of TRC will take appropriate business decisions from time to time in order to improve the performance of the Target Company.
- 3.3.3 The Acquirer may in future streamline/ restructure its holding in the Target Company and/or the operations, assets, liabilities and/or business of the Target Company, through arrangements, reconstructions, restructurings, mergers, demerger, sale of assets or undertakings and/or renegotiation or termination of existing contractual /operating arrangements, at a later date. Such decisions will be taken in accordance with procedures set out by applicable law and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time and with approval of Board of Directors.
- 3.3.4 In terms of Regulation 25 (2) of SEBI (SAST) Regulations, as on date of this DPS, the Acquirers do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next Two years, except (i) in the ordinary course of business and (ii) with the prior approval of the shareholders. Further, subject to the requisite approvals, the Acquirers may evaluate options regarding disposal of any surplus assets.

### **4. BACKGROUND OF JUPITER CAPITAL PRIVATE LIMITED, THE ACQUIRER**

- 4.1 **Jupiter Capital Private Limited (“JCPL”)** was incorporated on March 29, 2004 as a Private Company under the Companies Act, 1956 with Registrar of Companies, Bangalore, Karnataka.
- 4.2 The Registered Office of the Company is situated at No. 54 Richmond Road, Bangalore 560025. The Corporate Identity Number of the Acquirer is U67120KA2004PTC033653.
- 4.3 The Company is carrying business of Non-Banking Financial Institution without accepting public deposits and is registered with the Reserve Bank of India (the “RBI”). The major areas of operations are in INDIA.
- 4.4 The Acquirer, its Directors, Key Employees and Promoters are not related to the Target Company in any manner whatsoever.
- 4.5 The total issued, subscribed and paid-up equity share capital of JCPL is Rs. 5,01,97,200/- (Rupees Five Crores One lac Ninety Seven Thousand Two Hundred Only) comprising of 50,19,720 equity shares of Rs 10/- each.
- 4.6 JCPL does not belong to any Group and is the sole Acquirer and there is no Person Acting in Concert with the Acquirer for the purpose of this Open Offer.
- 4.7 The ultimate beneficial owner of the Acquirer is Mr. Rajeev Chandrasekhar, and the key shareholders of the Acquirer are RC Stocks & Securities Private Limited, Jupiter Global Infrastructure Private Limited and Minsk Developers Private Limited.
- 4.8 JCPL does not hold any shares in the Target Company as on date of this DLOO. Hence the provisions with regard to the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 are not applicable.

4.9 The Shareholding Pattern of JCPL, as on date, is as under:

| Sr. No | Shareholders Category        | No of Shares held | % of total share capital |
|--------|------------------------------|-------------------|--------------------------|
| 1      | Promoters/Promoter Group     | 50,19,720         | 100%                     |
| 2      | FII/Mutual Funds/FIs/ Banks  | -                 | -                        |
| 3      | Public                       | -                 | -                        |
|        | <b>Total Paid Up Capital</b> | <b>50,19,720</b>  | <b>100%</b>              |

4.10 The details of the directors on the Board Of Directors of JCPL are as follows:

| Sr. No | Name and DIN                                       | Date of Appointment | Designation (Whole time director/ Independent director) | Details of qualifications  | Details of Experience  |
|--------|--|---------------------|---|--|--|
| 1      | Mr. Rajeev Chandrasekhar<br>DIN No: 00206551       | 23.08.2005          | Director  | Masters in Computer Science, Illinois Institute of Technology, Chicago | Mr. Rajeev Chandrasekhar is a technology entrepreneur, founder of Jupiter Capital and currently a Member of Parliament. Mr. Rajeev is an alumnus of Manipal Institute of Technology, graduated from Illinois Institute of Technology, Chicago with MS in Computer Science and was also awarded an honorary doctorate by Vishweswarya Technical University. |
| 2      | Mr. Magat Karakad Chandrasekhar<br>DIN No:00291616 | 20.05.2005          | Director  | P G in Military Science  | Mr. M K Chandrasekhar joined Indian Air force in 1949, worked across the country and abroad, and took voluntary retirement in 1986. He was involved in setting up the National Military Memorial at Bangalore and a Flags of Honour foundation which is involved in assisting the widows, children and parents of defence service martyrs.                 |
| 3      | Mr. Mathevan Pillai Sivaram<br>DIN No:01163624     | 04.01.2010          | Director  | Chartered Accountant   | M S Ram having experience of more than 20 years as CFO and Director with various Companies. He has a wide-ranging experience in developing Strategies, operational restructuring and cash management. Mergers & Amalgamation etc.  |

4.11 As on the date of this DLOO, none of the above directors are on the Board of Directors of the Target Company.

4.12 The Key financial information of the JCPL, as obtained from its audited financial statements as at and for 12 months period ended March 31, 2014, March 31, 2015 and March 31, 2016 and unaudited financial Statements (Limited Review by Statutory Auditors) for Six months period ended September 30, 2016 are as follows:

**Profit and Loss Statement**

**(Rs. In Lakhs)**

| Particular             | Six month ended<br>30.09.2016 | Year Ended<br>31.03.2016 | Year Ended<br>31.03.2015 | Year Ended<br>31.03.2014 |
|------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
|                        | (Unaudited)*                  | (Audited)                | (Audited)                | (Audited)                |
| Income from Operations | 3596.29                       | 10,902.92                | 12,237.13                | 90,144.99                |
| Other Income           | 103.84                        | 1,990.36                 | 7.13                     | 91.86                    |

|  |                   |                  |                  |                  |
|--|-------------------|------------------|------------------|------------------|
| <b>Total Income</b>  | <b>3700.13</b>    | <b>12,893.29</b> | <b>12,244.26</b> | <b>90,236.85</b> |
| Total Expenditure  | 4851.32           | 9,657.42         | 8,840.80         | 50,572.69        |
| <b>Profit / (Loss) before Depreciation, Interest, Extra Ordinary Items and Tax</b> | <b>(1,151.19)</b> | <b>3,235.87</b>  | <b>3,403.46</b>  | <b>39,664.16</b> |
| Depreciation   | 495.04            | 834.73           | 677.73           | 657.88           |
| Interest   | 1369.44           | 1,941.46         | 497.56           | 447.88           |
| <b>Profit / (Loss) before Extra Ordinary Items and Tax</b>                         | <b>(3,015.67)</b> | <b>459.68</b>    | <b>2,228.17</b>  | <b>38,558.40</b> |
| Less: Extra Ordinary Expenses / (Income)   | -                 | -                | -                | -                |
| <b>Profit/(Loss) before Tax</b>  | <b>(3,015.66)</b> | <b>459.68</b>    | <b>2,228.17</b>  | <b>38,558.40</b> |
| Provision for Tax  | (643.59)          | 310.00           | 560.00           | 8,000.00         |
| Income Tax for Earlier Years   | -                 | -                | -                | 47.00            |
| Deferred Tax   | 556.43            | 84.04            | (215.96)         | 361.41           |
| <b>Profit/(Loss) after Tax</b>   | <b>(2,928.50)</b> | <b>65.64</b>     | <b>1,884.13</b>  | <b>30,149.99</b> |

\* As Limited Review by Statutory Auditors

### Balance Sheet Statement

(Rs. In Lakhs)

| Particulars                    | Six month ended<br>30.09.2016 | Year Ended<br>31.03.2016 | Year Ended<br>31.03.2015 | Year Ended<br>31.03.2014 |
|--------------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
|                                | (Unaudited)*                  | (Audited)                | (Audited)                | (Audited)                |
| <b>EQUITY AND LIABILITIES</b>  |                               |                          |                          |                          |
| <b>Shareholders' funds</b>     |                               |                          |                          |                          |
| Share Capital                  | 501.97                        | 501.97                   | 501.97                   | 501.97                   |
| Reserves and surplus           | 131,549.10                    | 134,477.60               | 134,411.96               | 132,535.70               |
|                                | <b>132,051.07</b>             | <b>134,979.57</b>        | <b>134,913.93</b>        | <b>133,037.67</b>        |
| <b>Non-current liabilities</b> |                               |                          |                          |                          |
| Long-term borrowings           | -                             | -                        | 1,862.46                 | 2,226.86                 |
| Deferred Tax Liabilities (Net) | 2,693.77                      | 2,137.34                 | 2,053.30                 | 2,273.32                 |
| Other Long term liabilities    | 8,862.07                      | 8,818.66                 | 192.26                   | 145.37                   |
| Long-term provisions           | 65.88                         | 56.88                    | 45.94                    | 36.02                    |
|                                | <b>11,621.72</b>              | <b>11,012.88</b>         | <b>4,153.96</b>          | <b>4,681.56</b>          |
| <b>Current liabilities</b>     |                               |                          |                          |                          |
| Short-term borrowings          | 16,800                        | 21,524.24                | 4,400.00                 | -                        |
| Trade payables                 | 308.01                        | 393.04                   | 2,524.80                 | 539.34                   |
| Other current liabilities      | 695.97                        | 943.43                   | 1,028.63                 | 815.26                   |
| Short-term provisions          | 1,248.35                      | 895.54                   | 554.90                   | 192.16                   |
|                                | <b>19,052.33</b>              | <b>23,756.24</b>         | <b>8,508.33</b>          | <b>1,546.76</b>          |
|                                |                               |                          |                          |                          |
| <i>Networth</i>                | <b>132,051.07</b>             | <b>134,979.57</b>        | <b>134,913.93</b>        | <b>133,037.67</b>        |
| <b>TOTAL</b>                   | <b>162,725.12</b>             | <b>169,748.70</b>        | <b>147,576.22</b>        | <b>139,265.99</b>        |
| <b>ASSETS</b>                  |                               |                          |                          |                          |
| <b>Non-Current Assets</b>      |                               |                          |                          |                          |
| Fixed assets                   |                               |                          |                          |                          |
| Tangible assets                | 15,996.67                     | 16,478.27                | 8,021.09                 | 8,307.96                 |

|                                     |                   |                   |                   |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Intangible assets                   | 39.30             | 43.90             | 16.45             | 2.19              |
| Capital work-in-progress            | -                 | -                 | -                 | -                 |
| Intangible assets under development | -                 | -                 | -                 | -                 |
| Fixed Assets held for sale          |                   | -                 | -                 | -                 |
|                                     | <b>16,035.97</b>  | <b>16,522.17</b>  | <b>8,037.54</b>   | <b>8,310.15</b>   |
| Non-current investments             | 92,623.27         | 91,222.52         | 78,047.75         | 61,273.22         |
| Deferred Tax Assets (Net)           | -                 | -                 | -                 | -                 |
| Long-term loans and advances        | 15,727.35         | 16,161.62         | 19,017.44         | 7,575.13          |
| Other non-current assets            | 1,891.89          | 4,442.87          | 782.67            | 782.67            |
|                                     | <b>126,278.48</b> | <b>128,349.18</b> | <b>105,885.40</b> | <b>77,941.17</b>  |
|                                     |                   |                   |                   |                   |
| <b>Current Assets</b>               |                   |                   |                   |                   |
| Current Investment                  | -                 | -                 | -                 | 19.69             |
| Inventories                         | 983.62            | 892.60            | 1,171.62          | -                 |
| Trade receivables                   | 176.18            | 657.46            | 1,099.78          | 1,380.81          |
| Cash and cash equivalents           | 14,012.54         | 14,545.66         | 31,714.75         | 34,548.80         |
| Short-term loans and advances       | 20,060.93         | 24,474.25         | 4,496.78          | 24,097.19         |
| Other current assets                | 1,213.37          | 829.55            | 3,207.90          | 1,278.34          |
|                                     | <b>36,446.64</b>  | <b>41,399.52</b>  | <b>41,690.82</b>  | <b>61,324.83</b>  |
|                                     |                   |                   |                   |                   |
| <b>TOTAL</b>                        | <b>162,725.12</b> | <b>169,748.70</b> | <b>147,576.22</b> | <b>139,265.99</b> |

\* As Limited Review by Statutory Auditors

#### Other Financial Data

|                                     | Six month ended<br>30.09.2016 | Year Ended<br>31.03.2016 | Year Ended<br>31.03.2015 | Year Ended<br>31.03.2014 |
|-------------------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
|                                     | (Unaudited)*                  | (Audited)                | (Audited)                | (Audited)                |
| Dividend (%)                        | 0%                            | 0%                       | 0%                       | 0%                       |
| Earnings Per Share (Basic) (in Rs.) | (58.34)                       | 1.31                     | 37.53                    | 600.63                   |
| Return on Networth (%)              | -2.22%                        | 0.05%                    | 1.40%                    | 22.66%                   |
| Book Value Per Share (in Rs.)       | 2630.65                       | 2688.99                  | 2687.68                  | 2650.30                  |

\* As Limited Review by Statutory Auditors

- 4.13 Based on the Audited Financials of the Acquirer as on March 31, 2016, contingent liabilities are as follows:
- Contingent liabilities not provided for Claims against the company not acknowledged as debts in respect of income-tax matters which is under appeal Rs.64,89,79,849 (2014-2015: Rs 85,64,14,058). The company is of the opinion that it would succeed in its appeal.
  - Counter guarantees provided to banks in respect of facilities offered to a subsidiary and another company: Rs 1,12,33,80,773 (2014-2015: Rs 1,09,60,82,958)
  - Capital Commitments (net of advances) - NIL ( 2014-15: Rs.1,47,08,83,800)
- 4.14 The equity shares of the Acquirer are not listed at any Stock Exchange.

## 5. BACKGROUND OF THE TARGET COMPANY-TRC FINANCIAL SERVICES LIMITED

- 5.1 TRC Financial Services Limited was originally incorporated as a TRC Financial and Management Services Private Limited vide Certificate of Incorporation dated May 24, 1994 issued by Registrar of Companies, N.C.T of Delhi & Haryana. The company was then converted into Public Limited Company and its name was changed to TRC Financial and Management Services Limited and was subsequently changed to TRC Financial Services Limited, on November 08, 1994. The Registered Office of the Target Company was shifted from state of Delhi to the state of Maharashtra vide Certificate for Change of State dated April 20, 2011 and are having their registered office situated at Bandra Hill View CHS, 3rd Floor, 85 Hill road, Opp. Yoko Sizzlers, Bandra (West), Mumbai - 400 050. The Corporate Identity Number of the Target Company is L74899MH1994PLC216417.
- 5.2 The company is engaged in the business of Non Banking Financial Institution without accepting public deposits and is registered with the Reserve Bank of India (the 'RBI').
- 5.3 The total Issued, Subscribed and Paid-up Equity Share Capital of the Target Company is Rs. 5,00,09,000- (Rupees Five Crore and Nine Thousand Only) comprising of 50,00,900 equity shares of Rs 10/- each fully paid up. There are no outstanding warrants/ convertible securities or partly paid-up shares in the Target Company.
- 5.4 The share capital structure of the Target Company is as follows:

| <b>Paid up Equity Shares of TRC</b> | <b>No. of equity shares/ voting rights</b> | <b>% of equity shares/ voting rights</b> |
|-------------------------------------|--|--|
| Fully paid-up equity shares         | 50,00,900                                  | 100                                      |
| Partly paid-up equity shares        | Nil  | Nil                                      |
| Total paid-up equity shares         | 50,00,900                                  | 100                                      |
| Total voting rights                 | 50,00,900                                  | 100                                      |

- 5.5 The equity shares of the Target Company are currently listed at BSE Limited (BSE).
- 5.6 The equity shares of TRC are infrequently traded within the meaning of Regulation 2(1) (j) of SEBI (SAST) Regulations.
- 5.7 Trading of the equity shares is not currently suspended on BSE.
- 5.8 There are no equity shares which are not listed with Stock Exchange.
- 5.9 The composition of the Board of Directors of TRC is as follow:

| <b>Name of Director</b>          | <b>DIN No</b> | <b>Designation</b>      | <b>Date of Appointment</b> |
|----------------------------------|---------------|-------------------------|----------------------------|
| Mr. Vijay M. S Misquitta         | 009931410     | Managing Director       | 15.11.2008                 |
| Mr. Ajay Dilkush Sarupria        | 00233245      | Non- Executive Director | 15.11.2008                 |
| Mr. Shailesh Ghisulal Hingarh    | 00166916      | Non- Executive Director | 24.04.2012                 |
| Mr. Harshad Sobhagchand Dholakia | 00379819      | Independent Director    | 30.01.2009                 |
| Ms. Madhuri Singh                | 07138862      | Independent Director    | 28.03.2015                 |
| Mr. Paresh Patel                 | 01497453      | Independent Director    | 13.08.2015                 |

- 5.10 The financial information of TRC based on the audited financial statements for the year ended March 31, 2014, March 31, 2015, March 31, 2016 and unaudited financial Statements (Limited Review by Statutory Auditors) for Six months period ended September 30, 2016 are as follows:

**Profit and Loss Statement**

*(Rs. In Lakhs)*

| Particular  | Six month ended<br>30.09.2016 | Year Ended<br>31.03.2016 | Year Ended<br>31.03.2015 | Year Ended<br>31.03.2014 |
|---|-------------------------------|--------------------------|--------------------------|--------------------------|
|   | (Unaudited)*                  | (Audited)                | (Audited)                | (Audited)                |
| Income from Operations  | 4.40                          | 8.81                     | 8.92                     | 10.94                    |
| Other Income  | 0.34                          | 0.80                     | 25.62                    | (6.15)                   |
| <b>Total Income</b>   | 4.74                          | 9.61                     | 34.54                    | 4.79                     |
| Total Expenditure   | 3.06                          | 8.18                     | 13.05                    | 4.10                     |
| <b>Profit / (Loss) before<br/>Depreciation, Interest,<br/>Exceptional Items and Tax</b> | 1.68                          | 1.44                     | 21.49                    | 0.69                     |
| Depreciation  | 0                             | 0.04                     | 0.15                     | 0.08                     |
| Interest  | 0                             | -                        | -                        | 0.27                     |
| <b>Profit / (Loss) before<br/>Exceptional Items and Tax</b>                             | 1.68                          | 1.40                     | 21.33                    | 0.34                     |
| Less: Exceptional Items   | 0                             | -                        | -                        | -                        |
| <b>Profit/(Loss) before Tax</b>   | 1.68                          | 1.40                     | 21.33                    | 0.34                     |
| Provision for Tax   | 0.26                          | 0.12                     | 4.00                     | -                        |
| Income Tax for Earlier Years  | 0                             | (0.01)                   | (0.01)                   | 3.80                     |
| <b>Profit/(Loss) after Tax</b>  | <b>1.42</b>                   | <b>1.29</b>              | <b>17.34</b>             | <b>(3.47)</b>            |

\* As Limited Review by Statutory Auditors

**Balance Sheet Statement**

*(Rs. In Lakhs)*

| Particulars                       | Six month ended<br>30.09.2016 | Year Ended<br>31.03.2016 | Year Ended<br>31.03.2015 | Year Ended<br>31.03.2014 |
|-----------------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
|                                   | (Unaudited)*                  | (Audited)                | (Audited)                | (Audited)                |
| <b>EQUITY AND<br/>LIABILITIES</b> |                               |                          |                          |                          |
| <b>Shareholders' Funds</b>        |                               |                          |                          |                          |
| Share Capital                     | 500.09                        | 500.09                   | 500.09                   | 500.09                   |
| Reserves and surplus              | (234.48)                      | (235.89)                 | (237.18)                 | (254.33)                 |
|                                   | <b>265.61</b>                 | <b>264.20</b>            | <b>262.91</b>            | <b>245.76</b>            |
| <b>Non-Current Liabilities</b>    |                               |                          |                          |                          |
| Long-term borrowings              | -                             | -                        | -                        | -                        |
| Deferred Tax Liabilities<br>(Net) | -                             | -                        | -                        | -                        |
| Other Long term liabilities       | -                             | -                        | -                        | -                        |
| Long-term provisions              | -                             | -                        | -                        | -                        |
|                                   | -                             | -                        | -                        | -                        |
| <b>Current liabilities</b>        |                               |                          |                          |                          |
| Short-term borrowings             | -                             | -                        | -                        | -                        |
| Trade payables                    | 0.08                          | 0.89                     | 1.24                     | 1.98                     |
| Other current liabilities         | -                             | 0.12                     | 0.20                     | 0.07                     |
| Short-term provisions             | -                             | -                        | -                        | -                        |
|                                   | <b>0.08</b>                   | <b>1.02</b>              | <b>1.44</b>              | <b>2.05</b>              |
|                                   |                               |                          |                          |                          |
| <i>Networth</i>                   | <b>265.61</b>                 | <b>264.20</b>            | <b>262.91</b>            | <b>245.76</b>            |
| <b>TOTAL</b>                      | <b>265.69</b>                 | <b>265.22</b>            | <b>264.36</b>            | <b>247.81</b>            |
| <b>ASSETS</b>                     |                               |                          |                          |                          |
| <b>Non-Current Assets</b>         |                               |                          |                          |                          |
| Fixed assets                      |                               |                          |                          |                          |

|                                     |               |               |               |               |
|-------------------------------------|---------------|---------------|---------------|---------------|
| Tangible assets                     | -             | -             | 0.04          | 0.38          |
| Intangible assets                   | -             | -             | -             | -             |
| Capital work-in-progress            | -             | -             | -             | -             |
| Intangible assets under development | -             | -             | -             | -             |
| Fixed Assets held for sale          | -             | -             | -             | -             |
|                                     | -             | -             | <b>0.04</b>   | <b>0.38</b>   |
| Non-current investments             | 102.56        | 102.56        | 102.56        | 30.55         |
| Deferred Tax Assets (Net)           | -             | -             | -             | -             |
| Long-term loans and advances        | 0.17          | 0.18          | 0.18          | 0.18          |
| Other non-current assets            | -             | -             | -             | -             |
|                                     | <b>102.73</b> | <b>102.74</b> | <b>102.77</b> | <b>31.11</b>  |
| <b>Current Assets</b>               |               |               |               |               |
| Current Investment                  | -             | -             | -             | -             |
| Inventories                         | -             | -             | -             | -             |
| Trade receivables                   | -             | -             | -             | -             |
| Cash and cash equivalents           | 155.95        | 158.21        | 155.93        | 100.00        |
| Short-term loans and advances       | 0.89          | 0.71          | -             | 116.27        |
| Other current assets                | 6.12          | 3.57          | 5.65          | 0.44          |
|                                     | <b>162.96</b> | <b>162.48</b> | <b>161.58</b> | <b>216.71</b> |
|                                     |               |               |               |               |
| <b>TOTAL</b>                        | <b>265.69</b> | <b>265.22</b> | <b>264.36</b> | <b>247.81</b> |

\* As Limited Review by Statutory Auditors

#### Other Financial Data

| Particulars                         | Six month ended<br>30.09.2016 | Year Ended<br>31.03.2016 | Year Ended<br>31.03.2015 | Year Ended<br>31.03.2014 |
|-------------------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
|                                     | (Unaudited)                   | (Audited)                | (Audited)                | (Audited)                |
| Dividend (%)                        | 0%                            | 0%                       | 0%                       | 0%                       |
| Earnings Per Share (Basic) (in Rs.) | 0.03                          | 0.03                     | 0.35                     | (0.07)                   |
| Return on Networth (%)              | 0.53%                         | 0.49%                    | 6.59%                    | (0.41%)                  |
| Book Value Per Share (in Rs.)       | 5.31                          | 5.28                     | 5.26                     | 4.91                     |

5.11 Pre and Post Offer shareholding pattern of the Target Company is as per the following table:

| Sr. No   | Shareholder 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 the open offer (assuming full acceptance) |             | Shareholding/voting rights after the acquisition and Offer i.e. |             |
|----------|--------------------------------|--|--------------|--|----------------|--|-------------|---|-------------|
|          |                                | (A)  |              | (B)  |                | (C)  |             | A+B+C   |             |
|          |                                | No.  | %            | No.  | %              | No.  | %           | No.   | %           |
| <b>1</b> | <b>Promoter Group</b>          |  |              |  |                |  |             |   |             |
| a        | Parties to agreement           | 2896174  | 57.91        | (2896174)  | (57.91)        | 0  | 0.00        | 0   | 0.00        |
| b        | Promoters other than (a) above | 0  | 0.00         | 0  | 0.00           | 0  | 0.00        | 0   | 0.00        |
|          | <b>Total 1 (a+b)</b>           | <b>2896174</b>   | <b>57.91</b> | <b>(2896174)</b>   | <b>(57.91)</b> | <b>0</b>   | <b>0.00</b> | <b>0</b>  | <b>0.00</b> |

|          |  |                |               |                |              |                  |                |                |               |
|----------|--|----------------|---------------|----------------|--------------|------------------|----------------|----------------|---------------|
| <b>2</b> | <b>Acquirer</b>  |                |               |                |              |                  |                |                |               |
| a        | Jupiter Capital Private Limited  | 0              | 0.00          | 2896174        | 57.91        | 1300234          | 26.00          | 4196408        | 83.91         |
|          | <b>Total</b>   | <b>0</b>       | <b>0.00</b>   | <b>2896174</b> | <b>57.91</b> | <b>1300234</b>   | <b>26.00</b>   | <b>4196408</b> | <b>83.91</b>  |
| <b>3</b> | <b>Parties to Agreement other than (1)(a) &amp; (2)</b>                | 0              | 0.00          | 0              | 0.00         | 0                | 0.00           | 0              | 0.00          |
| <b>4</b> | <b>Public (other than parties to Agreement and acquirer)</b>           |                |               |                |              |                  |                |                |               |
| a        | Individuals  | 1511089        | 30.22         | 0              | 0.00         | (1300234)        | (26.00)        | 804492         | 16.09         |
| b        | Bodies Corporate   | 422834         | 8.45          | 0              | 0.00         |                  |                |                |               |
| c        | FIs / Banks/ NRI   | 500            | 0.01          | 0              | 0.00         |                  |                |                |               |
| d        | Others (Clearing Member/ Foreign Nationals/ Trust/ Office Bearer etc.) | 170303         | 3.41          | 0              | 0.00         |                  |                |                |               |
|          | <b>Total 4 (a+b+c+d)</b>   | <b>2104726</b> | <b>42.09</b>  | <b>0</b>       | <b>0.00</b>  | <b>(1300234)</b> | <b>(26.00)</b> | 804492         | 16.09         |
|          | <b>Grand Total (1+2+3+4)</b>   | <b>5000900</b> | <b>100.00</b> |                |              |                  |                | <b>5000900</b> | <b>100.00</b> |

Note: a. Based on Shareholding pattern filed with BSE for quarter ended December 31, 2016.

b. The data within bracket indicates sale of equity shares.

5.12 There is no merger, de-merger and spin off in the last three years in the Target Company.

5.13 The Current Promoters of the Target Company, Mr. Vijay M.S Misquitta and Mr. Ajay Dilkush Sarupria had become promoters of the Target Company by acquiring management Control through Substantial acquisition of Equity Shares through Share Purchase Agreement entered by them with erstwhile promoters of the Target Company to acquire 23,70,900 equity shares representing 47.41% of the total paid up capital of the company and also through acquiring additional 5,35,174 Equity Shares representing 10.70% of the total paid up capital of the company under open offer made by them through Public Announcement dated August 04, 2008, the said offer was opened on Wednesday, October 08, 2008 and closed on Monday, October 27, 2008 in compliance SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997 .

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 The equity shares of the Target Company are listed at BSE.

6.1.2 The annualized trading turnover of the equity shares traded during the twelve calendar months preceding January 2017, the month in which the offer was triggered in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred as SEBI (SAST) Regulations) is as given below:

| Sr. No. | Name of the Stock Exchange | Total no. of equity shares traded during the 12 calendar months preceding to January 2017 | Total no. of equity share listed | Traded Turnover (in terms of % to total listed shares) |
|---------|----------------------------|---|----------------------------------|--|
| 1       | BSE                        | 34,858  | 50,00,900                        | 0.70%  |

- 6.1.3 Based on above, the equity shares of the Target Company are infrequently traded on BSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations as per the information received from the Target Company.
- 6.1.4 The Offer Price of Rs. 18/- (Rupees Eighteen Only) per equity share of Rs. 10/- each is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, after considering the following facts:

|    |  |                |
|----|--|----------------|
| a. | Highest Negotiated Price under the Acquisition Agreement attracting the obligation to make an Open Offer   | Rs. 18/-       |
| b. | Volume weighted average price paid or payable by the Acquirer for acquisition during 52 weeks immediately preceding the date of Public Announcement  | Not Applicable |
| c. | Highest Price paid or payable by the Acquirer for any acquisition during 26 weeks immediately preceding date of Public Announcement.   | Not Applicable |
| d. | Volume weighted average market price calculated for a period of 60 trading days preceding the date of Public Announcement, if shares are frequently traded   | Not Applicable |
| e. | The price determined by taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies | Rs. 2.93*      |
| f. | The per share value computed under sub-regulation (5) of SEBI (SAST) Regulations   | Not Applicable |

\* An extract of the report by B.N Pattabhi (Membership No 210278, FRN No.009153S), Partner of Parimal Ram & Pattabhi, Chartered Accountants having their office at 39, 1<sup>st</sup> Floor, Kankapura Main Road, Tata Silk Farm, Basavanagudi, Bangalore-560004 dated 14<sup>th</sup> January, 2017 is reproduced below:

*“The best reasonable judgment of the value will be referred to as the fair value (FV) and it will be arrived at on the basis of the following in the manner describe in the subsequent paragraphs:”*

*i) Book Value (BV) (ii) Market Value (MV) in the case of listed share (iii) Profit Earning Capacity Value (PCEV)*

*The Fair Value of the equity shares has been decided keeping in mind of the Supreme Court’s Decision in the case of Hindustan Lever Employees; Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30) wherein the Apex Court has opined that the fair value of a Listed Company could be assessed based on weights:*

*Since the company is a going concern weight of 1 has been assigned to Book value. Since the shares of the Company are very thinly traded/ infrequently traded for the past 12 months i.e From January 2016 to December 2016 on BSE Limited and hence weight of 1 has been assigned to Market Value. Since Company’s profit is inconsistent and there is no significant growth in net profit based on Audited Annual Accounts for last three years and hence weight of 1 is being assigned to PECV.*

***We are of the opinion that based on the information as referred to hereinabove; the Fair Value of the equity shares of TRC Financial Services Limited of Face Value of Rs. 10/- each is Rs. 2.93 per share.***

- 6.1.5 The Offer Price of Rs. 18/- each (Rupees Eighteen Only) per equity share is justified as it is more than the Price in terms of Regulations 8(2) of SEBI (SAST) Regulations. The Offer Price is denominated and payable in Indian Rupees only.
- 6.1.6 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

- 6.1.7 The Acquirer shall disclose during the offer period, every acquisition made by them of any equity shares of the Target Company, to the Stock Exchange and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6).
- 6.1.8 In case the Acquirer acquires or agrees to acquire any shares or voting rights in the Target Company during the offer period subject to the conditions contained in the rules and regulations that are applicable to Non Banking Financial Institutions, whether by subscription or purchase, at a price higher than the Offer price, the offer price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations. However, the Acquirer shall not acquire any equity shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
- 6.1.9 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.
- 6.1.10 An upward revision to the Offer Price or to the Offer Size, if any, on account of future purchases/ competing Offer or otherwise, may be done, subject to the conditions contained in the rules and regulations that are applicable to Non Banking Financial Institutions, at any time prior to the commencement of the last 3 working days before the date of commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make further deposit into the Escrow Account; (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 MSE, SEBI and the Target Company at its Registered Office of such revision.

## 6.2 FINANCIAL ARRANGEMENTS

- 6.2.1 Assuming full acceptance of this Offer, the total requirement of funds for this Offer is Rs 2,34,04,212/- (Rupees Two Crore Thirty Four Lakhs Four Thousand Two Hundred Twelve Only). (**“Offer Consideration”**).
- 6.2.2 The Acquirer has adequate internal resources to meet the financial requirements of the Open Offer. No borrowings from any Bank/ Financial Institution or NRIs or otherwise is envisaged by acquirer for the purpose of this open offer. The Acquirer has made firm arrangement for financial resources required to complete the Open Offer in accordance with Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition will be financed through their own internal resources.
- 6.2.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Current Account along with Fixed Deposits. Both the Current Account and Fixed deposit are part of Escrow Account which is in the name and style of **“JCPL - TRC FINANCIAL - CCIL- ESCROW A/C”** with YES BANK LIMITED, having its Branch at Kasturba Road, Bangalore - 560 001 (**“Escrow Banker”**) and has deposited Rs. 58,51,053/- (Rupees Fifty Eight Lakh Fifty One Thousand Fifty Three Only) in cash which represents 25% of the Offer Consideration.
- 6.2.4 The Acquirer has duly empowered and authorized **Chartered Capital and Investment Limited**, the Manager to the Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5 Mr. Anto Joseph (Membership No. 203958, FRN. 050113S), proprietor of M/s MKUK & Associates, Chartered Accountants, having their office at 3155/A, 2nd Floor, 11th Main, 2nd Stage, Indiranagar, Bengaluru - 560038, have certified and confirmed vide their Certificate dated January 16, 2017 that Jupiter Capital Private Limited has sufficient liquid funds to meet their financial obligations under SEBI (SAST) Regulations.
- 6.2.6 In case of any upward revision in the Offer Price or the size of this Offer, the Cash Escrow amount shall be increased by the Acquirer prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

- 6.2.7 Based on the above, the Manager to the Offer is satisfied that firm financial arrangements for fund and money for payment through verifiable means are in place to fulfil the obligations of the Acquirer under the Offer.
- 6.2.8 In case the Acquirer acquires shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the offer price under these regulations, the Acquirer shall pay the difference between the highest acquisition price and the offer price, to all the shareholders whose shares were accepted in the open offer, within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an Open Offer under the SEBI (SAST) Regulations, or pursuant to Delisting Regulations, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

## **7. TERMS AND CONDITIONS OF THE OFFER**

- 7.1 The Tendering Period will commence on Friday, March 10, 2017 and will close on Friday, March 24, 2017.
- 7.2 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
- 7.3 The Offer is being made to all Eligible Shareholders (i) whose names appear in the register of members of the Target Company at the close of business hours on Thursday, February 23, 2017, i.e. the Identified Date, (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories as on the Identified Date and (iii) to persons who acquire Equity Shares before the closure of the Tendering Period and tender these Equity Shares into the Offer in accordance with this Draft Letter of Offer. Persons who have acquired Equity Shares (irrespective of the date of purchase) but whose names do not appear on the register of members of the Target Company on the Identified Date are also eligible to participate in the Offer.
- 7.4 This Letter of Offer specifying the detailed terms and conditions of the Offer along with the Form of Acceptance-cum- Acknowledgement will be mailed to all the Eligible Shareholders as on the Identified Date. Non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the Draft Letter of Offer would be dispatched to each of the Eligible Shareholders is Friday, March 03, 2017. In terms of Regulation 18 (2) the letter of offer shall be dispatched to the shareholders whose names appear on the register of members of the target company as of the identified date. Every person holding shares, regardless of whether he held shares on the identified date or has not received the letter of offer, shall be entitled to tender such shares in acceptance of the open offer.
- 7.5 There shall be no discrimination in the acceptance of locked-in (subject to continuation of the residual lock-in period in the hands of the Acquirer) and non locked-in Equity Shares in the Offer. To the best of our knowledge, the Target Company has no Equity Shares which are locked in. The Eligible Shareholders who tender their Equity Shares under the Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances and shall ensure that such Equity Shares when acquired by the Acquirers will be acquired free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including but not limited to the rights to all dividends, bonus and rights declared thereafter.
- 7.6 Eligible Shareholders to whom the Offer is being made are free to offer their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by an Eligible Shareholder, the Manager to

the Offer and the Acquirers reserve the right to reject the acceptance of this Offer from such Eligible Shareholder.

- 7.7 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.8 The acceptance of this offer is entirely at the discretion of the eligible Equity Shareholder(s) /Beneficial owner(s) of the Target Company. The Acquirer, Manager to the Offer or Registrar to the Offer will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.
- 7.9 The instructions, authorisations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of the Letter of Offer.
- 7.10 The Acquirers shall, within ten (10) Working Days from the last date of the Tendering Period of the Offer, complete all requirements under the SEBI SAST Regulations and other applicable law relating to the Offer including payment of consideration to the Eligible Shareholders who have validly tendered their acceptance to the Offer and for that purpose open a special account provided under Regulation 21(1).
- 7.11 Applications in respect of tendered Shares that are the subject matter of litigation, wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation, are liable to be rejected if directions or orders regarding these Shares are not received together with the Shares tendered under this Offer. The applications in some of these cases may be forwarded (as per the discretion of the Acquirer) to the concerned statutory authorities for further action by such authorities.
- 7.12 In the event that the aggregate of the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.
- 7.13 The Manager to the Offer does not hold any Equity Shares in the Target Company. Further, the Manager to the Offer further declares and undertakes that they will not deal in their own account in the equity shares of the Target Company during the Offer Period.
- 7.14 **STATUTORY AND OTHER APPROVALS**
- 7.14.1 To the best of knowledge and belief of the Acquirer, as of the date of this DLOO, except approval from Reserve Bank of India as the Target Company is engaged in the business of Non-Banking Financial Institution without accepting public deposits, there are no statutory approvals required to acquire the equity shares tendered pursuant to this Offer. However, if any other statutory approvals are required or become applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date
- 7.14.2 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer
- 7.14.3 If any of the statutory approvals, are not met for reasons outside the reasonable control of the Acquirer, or in the event the statutory approvals are refused, the Acquirer, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the

same newspapers in which this DPS is published and such announcement will also be sent to SEBI, MSE and the Target Company at its Registered Office.

- 7.14.4 In case of delay / non-receipt of any statutory approval in terms of regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that delay/ non receipt of the requisite statutory approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the equity shareholders for the delay as may be specified by SEBI.

## **8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER**

- 8.1 The Open Offer will be implemented by the Acquirer through stock exchange mechanism made available by the Stock Exchanges in the form of separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.
- 8.2 BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in the Open Offer.
- 8.3 The facility for acquisition of shares through stock exchange mechanism pursuant to the Offer shall be available on the BSE in the form of a separate window (Acquisition Window).
- 8.4 The Acquirer has appointed M/s. J M Financial Services Limited (“**Buying Broker**”) for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the Tendering Period.
- 8.5 The Contact details of the Buying Broker are as mentioned below:

Name: M/s. J.M Financial Services Limited  
SEBI Registration Number: BSE – INB011054831, CIN: U67120MH1998PLC115415  
Address: 7<sup>th</sup> Floor, Energy, Appasaheb Marathe marg, Prabhdevi, Mumbai-400025  
Contact Person: Mr. Anupam Chakraborty  
Tel.: +91 22 45057262; Email: anupam.chakraborty@jmfl.com

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.

- 8.6 Separate Acquisition window will be provided by BSE to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Equity Shares as well as physical Equity Shares.
- 8.7 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during the Tendering Period.
- 8.8 Shareholders can tender their shares only through a broker with whom the Shareholder is registered as client (KYC Compliant).
- 8.9 **Procedure for tendering Equity Shares held in dematerialised Form:**
- 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 broker indicating to their broker the details of Equity Shares they intend to tender in Open Offer.
  - The Seller member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. (Clearing Corporation) for the transfer of Equity Shares to the Special Account of the clearing corporation before placing the bids / order and the same shall be validated at the time of the order entry. The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation.

- c) Shareholders shall submit Delivery Instruction Slips (“DIS”) duly filled in specifying market type as “Open Offer” and execution date along with all other details to their respective broker so that Shares can be tendered in Open Offer.
- d) The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.
- e) 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.
- f) 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 the Stock Exchanges / Clearing Corporation, before the opening of the Offer.
- g) Upon placing the order, the Selling Broker(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 Equity Shares tendered etc.
- h) The Shareholders will have to ensure that they keep the depository participant (“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 resident Shareholders (i.e. Shareholders residing in India) holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement. The Shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period. All non-resident Shareholders (i.e. Shareholders not residing in India) holding physical and/or demat Equity Shares and all resident Shareholders (i.e. Shareholders residing in India) holding Equity Shares in physical mode are mandatorily required to fill the Form of Acceptance-Cum-Acknowledgement. The non-resident Shareholders holding Equity Shares in demat mode are required to send the Form of Acceptance-Cum-Acknowledgement along with the required documents to the Registrar to the Offer at their address given on the cover page of this LoF. The Shareholders (resident and non-resident) holding Equity Shares in physical mode are required to send the Form of Acceptance-Cum-Acknowledgement along with the required documents to their respective Selling Broker who shall forward these documents to the Registrar to the Offer.**

#### **8.10 Procedure to be followed by registered Shareholders holding Equity Shares in the physical form**

- (i) Shareholders who are holding physical Equity Shares and intend to participate in the Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out including:
  - a) 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
  - b) Original share certificates
  - c) 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 Acquirer
  - d) Self-attested copy of the Shareholder's PAN Card;
  - e) 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
- (ii) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, voter identity card or passport.

- (iii) Selling Broker should 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.
- (iv) After placement of order, as mentioned in paragraph 10.(iii), the Selling Broker must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in paragraph 10.(i) either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as “**TRC Financial Services Limited – Open Offer**”. One copy of the TRS along with supporting documents will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- (v) 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 Equity Shares by the Acquirer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and till such time the stock exchanges shall display such orders as unconfirmed physical bids “Once, Registrar to the Offer confirms the orders it will be treated as Confirmed Bids”.
- (vi) In case any person has submitted Equity Shares in physical form for dematerialisation, such Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before the Offer Closing Date.

8.11 Modification / cancellation of orders will not be allowed during the period the Offer is open.

The cumulative quantity tendered shall be made available on the website of the Stock Exchanges throughout the trading session and will be updated at specific intervals during the Tendering Period.

#### 8.12 **Procedure for tendering the shares in case of non-receipt of 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 and tender Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the Form of Acceptance-cum-Acknowledgement. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as of the Identified Date.

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 BSE website ([www.bseindia.com](http://www.bseindia.com)) 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. Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share certificate and Form SH 4 in case of shares being held in physical form. Such shareholders have to ensure that their order is entered in the electronic platform to be made available by NSE and BSE before the closure of the Offer.

8.13 Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any shareholder, shall not invalidate the Offer in any way.

8.14 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Acquirer will not be responsible in any manner for

any loss of share certificate(s) and other documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard

#### 8.15 **Acceptance of Equity 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 Equity Shares, physical Equity Shares and locked-in Equity Shares) validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the 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 Shareholder shall not be less than the minimum marketable lot.

#### 8.16 **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 shares shall be directly credited to the pool account of the Buying Broker. For the same, the existing facility of client direct pay-out 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 pool account of the Buying Broker. 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 / custodian, post which, the Selling Broker would then issue contract note for the shares accepted and return the balance shares to the Shareholders. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned to the Shareholder(s) directly by Registrar to the Offer.

#### 8.17 **Settlement of Funds / Payment Consideration**

The settlement of fund obligation for demat and physical Equity Shares shall be effected through existing settlement accounts of Selling Broker. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Selling Broker / custodian participant will receive funds payout in their settlement bank account. The Selling Brokers / custodian participants would pay the consideration to their respective clients. The funds received from Buying Broker by the Clearing Corporation will be released to the Selling Broker(s) as per secondary market pay-out mechanism. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling 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 Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11).

#### 8.18 **FOR ANY FURTHER PROCEDURAL CHANGES/ DETAILS IN REGARD OF TENDERING, ACCEPTANCE, SETTLEMENT ETC., PLEASE REFER BSE CIRCULARS ISSUED BY BSE FROM TIME TO TIME.**

#### 8.19 **COMPLIANCE WITH TAX REQUIREMENTS:**

Capital gain: 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 securities transaction tax (“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 and STT.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH THE ON-MARKET TENDER OFFER ROUTE 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.

**8.20 Tax deduction at source:**

a. In case of resident Shareholders, in absence of any specific provision under the Income Tax Act, 1961 (“Income Tax Act”) the Acquirers shall not deduct tax on the consideration payable to resident Shareholders pursuant to the Offer.

b. In the case of non-resident Shareholders, since the Offer is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident Shareholder. It is therefore recommended that the non-resident Shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

8.21 Interest payment, if any: In case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirers will deduct taxes at source at the applicable rates as per the Income Tax Act.

8.22 If the resident and non-resident Shareholders require that no tax is to be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the following documents are required to be submitted to the Registrar to the Offer.

For Resident Shareholders

- a. Self-attested copy of PAN card
- b. Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (Certificate for Deduction of Tax at Lower Rate)
- c. For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any).

For Non-Resident Shareholders

- a. Self-attested copy of PAN card
- b. Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (Certificate for Deduction of Tax at Lower Rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the amount of interest)
- c. Tax Residency Certificate and a no ‘permanent establishment’/business connection declaration

In an event of non-submission of NOC or Certificate for Deduction of Tax at Nil/Lower Rate, tax will be deducted at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs, by the Acquirer.

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

**8.23 Issue of tax deduction at source certificate**

The Acquirers will issue a certificate in the prescribed form to the Equity Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

The Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

## **9. DOCUMENTS FOR INSPECTION**

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 418-C, "215 Atrium", Andheri Kurla Road, Andheri (East), Mumbai 400093 from 10:30 hours to 13:00 hours on any working day, except Saturdays, Sundays and Public Holidays until the Closure of the Tendering Period.

- 9.1 Memorandum of Understanding between Manager to the Offer i.e. **Chartered Capital and Investment Limited** and the Acquirer.
- 9.2 Copy of the agreement between the Registrar to the Issue i.e. **Purva Sharegistry (India) Pvt Ltd** and the **Acquirer**.
- 9.3 Certificate dated January 16, 2017 from Mr. Anto Joseph (Membership No. 203958, FRN. 050113S), proprietor of M/s MKUK & Associates, Chartered Accountants, having their office at 3155/A, 2<sup>nd</sup> Floor, 11<sup>th</sup> Main, 2<sup>nd</sup> Stage, Indiranagar, Bengaluru - 560038, confirming that Jupiter India Private Limited (Acquirer) has sufficient liquid resources to fulfil the obligations under the SEBI (SAST) Regulations.
- 9.4 Audited Annual Reports of TRC for the year ended on March 31, 2014, March 31, 2015, March 31, 2016 and unaudited financials for Six months ended as on September 30, 2016 (limited reviewed by statutory auditor).
- 9.5 Audited financial reports of Jupiter Capital Private Limited for the year ended March 31, 2014, March 31, 2015 and March 31, 2016 and unaudited financials for Six months ended as on September 30, 2016 (limited reviewed by statutory auditor).
- 9.6 Undertaking from the Acquirer, stating full responsibility for all information contained in the PA, DPS and the Draft Letter of Offer.
- 9.7 Certificate from Yes Bank Limited dated January 20, 2017 confirming the amount kept in the Escrow Account and lien marked in favour of Merchant Banker.
- 9.8 Memorandum and Articles of Association of TRC Financial Services Limited.
- 9.9 Memorandum and Articles of Association of Jupiter Capital Private Limited.
- 9.10 Public Announcement dated Monday, January 16, 2017 and Detailed Public Statement which is published on Monday, January 23, 2017.
- 9.11 Certificate from B.N Pattabhi (Membership No 210278, FRN No.009153S), Partner of Parimal Ram & Pattabhi, Chartered Accountants having their office at 39, 1<sup>st</sup> Floor, Kankapura Main Road, Tata Silk Farm, Basavanagudi, Bangalore-560004 dated 14<sup>th</sup> January, 2017 regarding the Fair Valuation of the equity shares of TRC Financial Services Limited.
- 9.12 Recommendation made by the committee of independent directors of Target Company in compliance with Regulation 26(7) of SEBI (SAST) Regulations.
- 9.13 Observation letter dated [●] on the Draft Letter of offer filed with the Securities and Exchange Board of India.

## **10. DECLARATION BY THE ACQUIRER**

- 10.1 The Acquirer and its Directors, jointly and severally accept full responsibility, for the information contained in this Draft Letter of Offer and also for the obligations of the Acquirer as laid down in the SEBI

(SAST) Regulations and subsequent amendments made thereof. The Acquirer is responsible for ensuring compliance with the SEBI (SAST) Regulations.

- 10.2 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.

**For Jupiter Capital Private Limited (Acquirer)**

**Sd/-**

**Sidhartha Mehra  
(Chief Financial Officer)**

**Date : Tuesday, January 31, 2017**

**Place : Mumbai**