

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 **R&B DENIMS 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 **R&B DENIMS 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

Mr. Amit Anand Dalmia

Residing at C-602/603, Regency Tower, Near Rajhans Cinema, Piplod, Surat, Gujarat-395007, India (**Tel No.** : +91-9978912378);

Mr. Rajkumar Borana

Residing at 90, Subhash Nagar Society, Ghod Dod Road, Surat, Gujarat-395001, India (**Tel No.** : +91-9825143778);

Mr. Ankur Borana

Residing at 90, Subhash Nagar Society, Ghod Dod Road, Surat, Gujarat-395001, India (**Tel No.:** +91-9825133032);

Mr. Deepak Dalmia

Residing at C-602/603, Regency Tower, Near Rajhans Cinema, Piplod, Surat, Gujarat-395007, India (**Tel No.:** 91-9825148955)

Rawatkhedha Processors Private Limited

Registered office: Plot NO. 194, 184/3, Near Baleshwar Khadi, National Highway No. 8, Baleshwar, Taluka-Palsana, Surat, Gujarat, India

And

Borana Filaments Private Limited

Registered office: S/1236, Surat Textile Market, Ring Road, Surat-395 002, Gujarat, India

TO ACQUIRE

up to 3638619 Equity Shares of Rs. 10/- each at an Offer Price per equity share of Rs 10/- each payable in cash, representing 26% of the total paid up equity share capital/ voting share capital pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof

OF

R&B Denims Limited

Registered Office: Block No.,467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India **Tel No.:**+91-9601281648;
Fax No.:+91-261-2321672; **Email Id:** compliance@rnbdenims.com

ATTENTION:

1. This Offer is being made by the Acquirers pursuant to Regulations 3(1) and 3(2) of the SEBI (SAST) Regulations.
2. As on date of this LOO, no statutory approvals are required, however, it will be subject to all statutory approvals that may become applicable at a later date as mentioned in Point 8.17.
3. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations
4. This Offer is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
5. 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. Acquirers are 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, January 18, 2016*. The same price will be payable by the Acquirers for all the shares tendered anytime during the Tendering Period.
6. **There has been no competing offer as on the date of this Draft Letter of Offer.**
7. **If there is competing offer, the public offer under all the subsisting bids open and close on the same date.**
8. 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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 Hem Securities Ltd. HEM SECURITIES LIMITED SEBI Registration No. :INM000010981 14/15, 1 st Floor, Khatau Building, Bank Street, Fort, Mumbai- 400 001 Tel. No.: +91-22- 4906 0000, Fax No.: 91-22-2262 5991 Email: ib@hemonline.com Contact Person: Ms. Menka Jha	 BIGSHARE SERVICES PRIVATE LIMITED SEBI Registration No. :INR00001385 E-2/3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072 Tel. No.: +91-22 – 40430200 Fax No.: + 91-22 – 28475207 Email: ashok@bigshareonline.com Contact Person: Mr. Ashok Shetty

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	Original Day and Date
1.	Date of Public Announcement (PA)	Monday, November 30, 2015
2.	Date of publication of the Detailed Public Statement (DPS)	Monday, December 7, 2015
3.	Filing of Draft Letter of Offer with SEBI along with soft copies of Public Announcement and Detailed Public Statement	Monday, December 14, 2015
4.	Last date for a Competing Offer	Tuesday, December 29, 2015
5.	Receipt of comments from SEBI on Draft Letter of Offer	Tuesday, January 5, 2016
6.	Identified Date*	Thursday, January 7, 2016
7.	Date by which Letter of offer (DLOO) will be dispatched to the Shareholders	Friday, January 15, 2016
8.	Last date for upward revision of Offer Price and/or Offer Size	Monday, January 18, 2016
9.	Last date by which Board of Director of the Target Company shall give its recommendation	Wednesday, January 20, 2016
10.	Offer Opening Public Announcement	Thursday, January 21, 2016
11.	Date of commencement of Tendering Period (Offer Opening Date)	Friday, January 22, 2016
12.	Date of Closing of Tendering Period (Offer Closing Date)	Friday, February 05, 2016
13.	Date by which all requirements including payment of consideration would be completed	Friday, February 19, 2016

** Date falling on the 10th 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. It is clarified that all the shareholders of the Target Company (registered or unregistered), at any time prior to the Closure of the Tendering Period, are eligible to participate in this Open Offer.*

RISK FACTORS

Given below are the risks related to the transaction, the Open Offer and the probable risk involved in association with the Acquirers.

i. Risk in association with the Transaction and Offer

- To the best of knowledge of the Acquirers, no statutory approvals are required however, it will be subject to all statutory approvals that may become applicable at a later date. The Acquirers 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 Acquirers 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 RBDL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirers, 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 Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers 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 by the 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 Acquirers 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
- In the event of over-subscription to the offer, the acceptance will be on a proportionate basis hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- The Acquirers 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 Acquirers and the Manager to the Offer, and anyone placing reliance on any other source of information, would be doing so at his/her/their own risk.
- This Offer is subject to completion risks as would be applicable to similar transactions

ii. Risk in association with the Acquirers

- The Acquirers make no assurance with respect to financial performance of the Target Company.
- The Acquirers make no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.
- The Acquirers make no assurance of market price of shares of the Target Company during or after the offer
- The Acquirers have sufficient means to fulfil the financial obligation of this Open Offer through the internal resources only.
- The Acquirers 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 Acquirers) would be doing so at his / her / its own risk
- The Acquirers do 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 RBDL 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 RBDL 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 Acquirers.

CURRENCY OF PRESENTATION

In this Draft letter of Offer, all references to "Rs." / "INR" / "₹" are to Indian Rupee(s), the official currency of India, all references to "USD" / "US \$" / "US Dollar" are to United States Dollars the official currency of the United States of America and the official currency of Singapore, respectively.

In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and /or regrouping.

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1. DEFINITIONS/ABBREVIATIONS

Sr. No.	Term	Definition/Abbreviation
1.	Acquirers or The Acquirers	Mr. Amit Anand Dalmia, Mr. Rajkumar Borana, Mr. Ankur Borana, Mr. Deepak Dalmia, Borana Filaments Private Limited and Rawatkhedia Processors Private Limited
2.	Board of Directors	Board of Directors of the Target Company
3.	BSE	BSE Limited, Mumbai
4.	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
5.	CDSL	Central Depository Services (India) Limited
6.	Closure of the Tendering Period	Friday, February 05, 2016
7.	Depositories	CDSL and NSDL
8.	DLOO	Draft Letter of Offer filed with SEBI on Monday, December 14, 2015
9.	DPS or Detailed Public Statement	Detailed Public Statement appeared in the newspapers on Monday, December 07, 2015
10.	Earnings Per Share / EPS	Profit After Tax available to Equity Shareholders / Weighted Average No. of Equity Shares
11.	Equity Capital	Fully paid up Equity shares of Rs. 10/- each of Target Company
12.	Form of Acceptance or FOA	Form of Acceptance - cum – Acknowledgement
13.	Identified Date	Thursday, January 07, 2016
14.	Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992 and subsequent amendments thereof
15.	LOO or Letter of offer	The Letter of Offer dated [·], including the Form of Acceptance-cum-Acknowledgement
16.	Manager to the Offer /Manager/Merchant Banker	Hem Securities Limited
17.	Networth	Equity Capital + Free Reserve (excluding Revaluation Reserve) –Debit balance in Profit & Loss A/c – Misc expenditure not written off
18.	NSDL	National Securities Depository Limited
19.	Offer or The Offer or Open Offer	Offer for acquisition up to 36,38,619 equity shares of Rs. 10/- each of RBDL representing up to 26% of equity share/ voting right of Target Company at a price of Rs. 10 per equity share of Rs 10/- each payable in cash.
20.	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.
21.	Offer Price	Rs. 10/- per equity share of Rs 10/- each of the Target Company payable in cash
22.	PAC	Persons Acting in Concert
23.	PAN	Permanent Account Number
24.	Public Announcement or “PA”	Public Announcement of the Open Offer by the Acquirers, made as per SEBI (SAST) Regulations sent on Monday, November 30, 2015 by Merchant Banker on behalf of Acquirers to BSE Limited (“ BSE ”) and Target Company at its Registered Office and filed on Monday, November 30, 2015 with Securities and

		Exchange Board of India (“SEBI”).
25.	RBDL / Target Company	R&B Denims Limited
26.	RBI	Reserve Bank of India
27.	Registrar or Registrar to the Offer	Bigshare Services Private Limited
28.	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)
29.	Rs/ Rupee	Indian Rupee
30.	SEBI	Securities and Exchange Board of India
31.	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
32.	SEBI Act	Securities and Exchange Board of India Act, 1992
33.	SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment thereto
34.	SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
35.	Tendering Period	Period commencing from Friday, January 22, 2016 and closing on Friday, February 05, 2016 (both days inclusive)
36.	Working Days	A working day of SEBI

Note: All terms beginning with a capital letter used in this 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 R&B DENIMS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, 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 ACQUIRERS 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 ACQUIRERS DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, HEM SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SATURDAY, DECEMBER 12, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

- 3.1.1 This Open Offer is being made by the Acquirers to the equity shareholders of R&B Denims Limited in compliance with Regulations 3(1) and 3(2) of SEBI (SAST) Regulations for substantial acquisition of shares/voting rights in the Target Company and to increase their holding in the Target Company.
- 3.1.2 The Acquirers are part of Promoters/ Promoter Group of the Target Company and are holding 35,34,178 equity shares representing 25.25% and collectively holding 64,06,678 equity shares representing 45.78% of the total paid up equity share capital of the Target Company alongwith other Promoters/Promoter Group as on date preceding the date of PA. The total shareholding of the Promoter and Promoter Group as on March 31, 2015 was 58,56,678 equity shares representing 41.85% of the total paid up equity share capital of the Target Company alongwith other Promoters/Promoter Group representing an increase of 3.93% holding in a financial year.
- 3.1.3 The individual holding of the Acquirers and the details of the acquisition during 52 weeks immediately preceding the date of Public Announcement are as given below:

Name of Acquirer	Opening Balance	% of equity capital	No. of Shares Acquired (*)	% of the Acquired Shares (*)	Highest Price Paid (per share in Rs.) (**)	Total Consideration (in Rs.) (**)	Closing Balance	% of equity capital
Mr. Amit Anand Dalmia	5,49,171	3.92	-	-	-	-	5,49,171	3.92
Mr. Rajkumar Borana	9,42,921	6.74	1,30,000	0.93	8.02	10,42,600	10,72,921	7.67
	10,72,921	7.67	2,40,000	1.71	8.52	20,44,800	13,12,921	9.38
Mr. Ankur Borana	9,42,918	6.74	1,80,000	1.29	8.77	15,78,600	11,22,918	8.03
Mr. Deepak Dalmia	5,49,168	3.92	-	-	-	-	5,49,168	3.92
Borana Filaments Pvt Ltd	-	-	-	-	-	-	-	-
Rawatkhedhi a Processors Pvt Ltd	-	-	-	-	-	-	-	-

Total 1(Acquirers)	29,84,178	21.32	5,50,000	3.93	-	-	35,34,178	25.25
Total 2 (Promoter Group other than Acquirers)	28,72,500	20.53	-	-	-	-	28,72,500	20.53
Total (1+2)	58,56,678	41.85	550000	3.93	-	-	64,06,678	45.78

* During 52 weeks immediately preceding the date of Public Announcement

** Excluding the brokerage and other applicable charges.

- 3.1.4 On Friday, December 11, 2015, Acquirers Mr. Ankur Borana and Mr. Rajkumar Borana have purchased an additional 60,000 Equity Shares, representing 0.42% and 100,000 Equity Shares representing 0.72% respectively of the paid up equity share capital of the Target Company. Thus, the Acquirers have acquired Equity Shares exceeding 5% of the paid up equity share capital of the Target Company in one financial year. The Acquirers intend to acquire more equity shares/voting rights in the Target Company through Market purchases and/or through Off Market Purchase upto three working days prior to the commencement of the tendering period and therefore in compliance with Regulations 3(1) and 3(2), read with other applicable provisions of SEBI (SAST) Regulations, this Open Offer is being made.
- 3.1.5 At present, all Acquirers are Promoters/Promoter Group of the Target Company. Further Mr. Amit Anand Dalmia, Mr. Rajkumar Borana, Mr. Ankur Borana and Mr. Deepak Dalmia are also on the Board of Directors of the Target Company and are already in management control of the Company and they shall not participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the open offer.
- 3.1.6 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 3.1.7 The Acquirers have not entered into and do not have any agreements or arrangements with the Target Company.
- 3.1.8 The Acquirers namely Mr. Amit Anand Dalmia, Mr. Rajkumar Borana, Mr. Ankur Borana, Mr. Deepak Dalmia, Borana Filaments Private Limited and Rawatkheria Processors Private Limited have 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 The Acquirers do not intend to appoint any additional directors on the board of directors of the Target Company after the Offer.
- 3.1.10 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of Director 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 Offer

- 3.2.1 In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, 2011, the DPS was published on Monday, December 07, 2015 in the following newspapers:

Publication	Language	Edition
Business Standard	English	All Editions
Business Standard	Hindi	All Editions
Dhabkar	Gujarati	Surat

A copy of the PA and the DPS are also available on the SEBI website at www.sebi.gov.in

Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was filed through the Manager to the Offer with SEBI, BSE, and the Target Company at its Registered Office.

- 3.2.2 Acquirers are making this Open Offer in terms of Regulations 3(1) and 3(2) of SEBI (SAST) Regulations to acquire up to 36,38,619 equity shares of Rs. 10/- each representing 26% of the total equity share capital / voting capital subject to the terms and conditions set out in DPS and this Letter of Offer, at a price of Rs. 10/- per equity share of Rs. 10/- each payable in cash. These equity shares which are to be acquired by the Acquirers should be free from liens, charges and encumbrances of any kind whatsoever.

- 3.2.3 This Offer is not subject to the receipt of the Statutory Approvals however it will be subject to fulfilment of conditions as may become applicable as mentioned in Point 8.17 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 and there has been no competing offer as of the date of the Draft Letter of Offer.
- 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 Acquirers have acquired equity shares of the Target Company after the date of Public Announcement *i.e.* Monday, November 30, 2015, till the date of this Draft Letter of Offer as mentioned in Point 3.1.4 above.
- 3.2.8 The equity shares are listed at SME Platform of BSE Limited. As per Clause 42 of the listing agreement 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. In case, pursuant to the further acquisition upto three working days prior to the commencement of the tendering period and/or through this Offer, 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 Stock Exchanges read with Rule 19A of the SCRR, the Acquirers hereby undertake that the promoter group 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 The Manager to the Offer, Hem Securities Limited is in compliance with the Reg. 27(6) of SEBI (SAST) Regulations, 2011, as the Manager doesn't hold any shares of the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the equity shares of the Target Company during the Offer Period. However as on the date of the Public Announcement, HEM Securities Limited Which is also a SEBI registered Stock Broker and BSE registered Market Maker holds 7,70,000 Equity Shares of the Target Company as part of its Market Making Inventory. As per SEBI circular no. CIR/MRD/DP/14/2010 dated April 26, 2010, Hem Securities mandatorily has to provide a 2-way quote for 75% of the time in a day. Also group Companies of Manager to the offer i.e. HEM Financial Services Limited and HEM Insurance Brokers Limited are also Holding 2,00,000 and 60,000 Equity Shares respectively on the Date of PA. The Manager to the Offer further declares and undertakes that Hem Securities Limited will not deal in the equity shares of the Target Company during the Offer Period except in the normal course of the Market Making activities in terms of SEBI Regulations.
- 3.2.10 Further, the Acquirers 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 Acquirers for making this Open Offer is to increase holding of Promoter/Promoter Group in the Target Company which shall achieve substantial acquisition of equity shares and voting capital, accompanied with effective management control over the Target Company after completion of Open Offer.
- 3.3.2 The Acquirers propose to continue the existing business of the Target Company. The main purpose of takeover is to expand the Target Company's business activities in the present line of activities through exercising effective management and control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.
- 3.3.3 The Acquirers do not have any plans to alienate any significant assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. Target Company's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of Postal Ballot in terms of Regulation 25(2) of the Regulations.

4. BACKGROUND OF THE ACQUIRERS

4.1 Mr. Amit Anand Dalmia

- 4.1.1 Mr. Amit Anand Dalmia, S/o. Mr. Anandbhai Vasudev Dalmia, aged 38 years is an Indian Resident residing at C/602/603, Regency Tower, Near Rajhans Cinema, Dumas Road, Piplod, Surat, Gujarat-395 007, India.
- 4.1.2 He holds a Bachelor degree in Commerce from South Gujarat University. He is having more than 15 years of experience in the business of Textile Industry.
- 4.1.3 CA Pradeep Kumar Singhi (Membership No. 24612; FRN. 024612), Proprietor of Pradeep Singhi & Associates, Chartered Accountants, having his office at A/501, President Plaza, R.T.O. Circle, Ring Road, Surat has certified and confirmed that the individual Net Worth of Mr. Amit Anand Dalmia as on October 21, 2015 is Rs. 69,86,385.00 (Rupees Sixty Nine Lakhs Eighty Six Thousand Three Hundred Eighty Five Only).
- 4.1.4 He has filed the following disclosures for the acquisition made by him in the Target Company, under the provisions of Chapter V of SEBI (SAST) Regulations, 2011:

Sr. No.	Regulation/ Sub-Regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
1.	30(2)	11-Apr-15	24-Apr-15	13	Complied	-

- 4.1.5 As on date of this DLOO, he does not hold any positions on the Board of Directors in any listed company except the following:

R&B Denims Limited *i.e. Target Company*

- 4.1.6 As on date of this DLOO, he is not a whole time director in any Company except the following:

R&B Denims Limited *i.e. Target Company*

- 4.1.7 As on the date of this DLOO, he is holding 5, 49,171 (3.92%) Equity Shares/ Voting Rights of the Target Company.

- 4.1.8 As on date of this DLOO, he is a Director in the Target Company. However, he shall not participate in any deliberations of the Board of Directors of the Target Company or vote on any matter relating to the Offer.

4.2 Mr. Rajkumar Borana

- 4.2.1 Mr. Rajkumar Borana, S/o. Mr. Mangilal Ambalal Borana, aged 38 years is an Indian Resident residing at 90, Subhash Nagar Society, Ghod Dod Road, Surat, Gujarat-395001, India.

- 4.2.2 He holds a bachelor degree in Commerce from South Gujarat University. He is having more than 15 years of experience in the business of Textile and paper.

- 4.1.9 CA Ashok Baheti (Membership No. 102726; FRN. 131758W), Proprietor of Ashok Baheti & Co., Chartered Accountants, having his office at 37, Reshamwala Market, Ring Road, Surat-395 002 has certified and confirmed that the individual Net Worth of Mr. Rajkumar Dalmia as on September 30, 2015 is Rs. 1,23,78,877 (Rupees One Crore Twenty Three Lacs Seventy Eight Thousand Eight Hundred Seventy Seven Only).

- 4.2.3 He has filed the following disclosures for the acquisition made by him in the Target Company, under the provisions of Chapter V of SEBI (SAST) Regulations, 2011:

Sr. No	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
1	30(2)	11-Apr-15	24-Apr-15	13	Complied	-
2	29(2)	20-Oct-15	20-Oct-15	-	Complied	-

- 4.2.4 As on date of this DLOO, he does not hold any positions on the Board of Directors in any listed company except the following:

R&B Denims Limited *i.e. Target Company*

- 4.2.5 As on the date of this DLOO, he is not a whole time director in any Company except the following:

R&B Denims Limited *i.e. Target Company*

4.2.6 As on the date of this DLOO, he is holding 14,12,921 (10.10%) Equity Shares/ Voting Rights of the Target Company.

4.2.7 As on date of this DLOO, he is a Director in the Target Company. However, he shall not participate in any deliberations of the Board of Directors of the Target Company or vote on any matter relating to the Offer.

4.3 Mr. Ankur Borana

4.3.1 Mr. Ankur Borana, S/o. Mr. Mangilal Ambalal Borana, aged 34 years is an Indian Resident residing at 90, Subhash Nagar Society, Ghod Dod Road, Surat, Gujarat-395001, India.

4.3.2 He has completed his Higher Secondary Examinations from Gujarat Secondary Education Board, Gandhinagar. He is having more than 13 years of experience in the business of Textile.

4.3.3 CA Ashok Baheti (Membership No. 102726; FRN. 131758W), Proprietor of Ashok Baheti & Co., Chartered Accountants, having his office at 37, Reshamwala Market, Ring Road, Surat-395 002 has certified and confirmed that the individual Net Worth of Mr. Ankur Borana as on September 30, 2015 is Rs. 1,16,68,216 (Rupees One Crore Sixteen Lacs Sixty Eight Thousand Two Hundred Sixteen Only).

4.3.4 He has filed the following disclosures for the acquisition made by him in the Target Company, under the provisions of Chapter V of SEBI (SAST) Regulations, 2011:

Sr. No	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
1.	30(2)	11-Apr-15	24-Apr-15	13	Complied	-

4.3.5 As on the date of this DLOO, he does not hold any positions on the Board of Directors in any listed company except the following:

R&B Denims Limited *i.e. Target Company*

4.3.6 As on the date of this DLOO, he is not a whole time director in any Company except the following:

R&B Denims Limited *i.e. Target Company*

4.3.7 As on the date of this DLOO, he is holding 11,82,918 (8.45%) Equity Shares/ Voting Rights of the Target Company.

4.3.8 As on date of this DLOO, he is a Director in the Target Company. However, he shall not participate in any deliberations of the Board of Directors of the Target Company or vote on any matter relating to the Offer.

4.4 Mr. Deepak Dalmia

4.4.1 Mr. Deepak Dalmia, S/o. Mr. Anandbhai Vasudev Dalmia, aged 35 years is an Indian Resident residing at 602/603, Regency Tower, Near Rajhans Cinema, Piplod, Surat, Gujarat-395007, India.

4.4.2 He holds Bachelor Degree in Commerce from University of Pune. He is having more than 13 years of Experience in the business of Textile and overall management of the affairs of a corporate.

4.4.3 CA Pradeep Kumar Singhi (Membership No. 24612; FRN. 024612), Proprietor of Pradeep Singhi & Associates, Chartered Accountants, having his office at A/501, President Plaza, R.T.O. Circle, Ring Road, Nanpura, Surat has certified and confirmed that the individual Net Worth of Mr. Deepak Dalmia as on September 30, 2015 is Rs. 72,50,989.00 (Rupees Seventy Two Lacs Fifty Thousand Nine Hundred Eighty Nine Only).

4.4.4 He has filed the following disclosures for the acquisition made by him in the Target Company, under the provisions of Chapter V of SEBI (SAST) Regulations, 2011:

Sr. No	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
1.	30(2)	11-Apr-15	24-Apr-15	13	Complied	-

4.4.5 As on date of this DLOO, he does not hold Directorships in any listed company except the following:

R&B Denims Limited *i.e. Target Company*

4.4.6 As on the date of this DLOO, he is not a whole time director in any Company except the following:

R&B Denims Limited *i.e. Target Company*

4.4.7 As on the date of this DLOO, he is holding 5,49,168 (3.92%) Equity Shares/ Voting Rights of the Target Company.

4.4.8 As on date of this DLOO, he is a Director in the Target Company. However, he shall not participate in any deliberations of the Board of Directors of the Target Company or vote on any matter relating to the Offer.

4.5 Borana Filaments Private Limited (“BFPL”)

4.5.1 Borana Filaments Private Limited was originally incorporated on May 23, 2002 under the name and style of “Borana Filaments Private Limited” under the Companies Act, 1956, with Registrar of Companies, Ahmedabad. The corporate identification Number is U17119GJ2002PTC40775.

4.5.2 The registered office of BFPL is situated at S-1236, Surat Textile Marketring Road, Surat – 395 002, Gujarat, India.

4.5.3 BFPL is engaged in the business of manufactures, twistors, texturisers, crimpers, processors, spinners, doublers, weavers, ginners, tailors of industrial fabrics.

4.5.4 The details of the promoters of the BFPL and their shareholding is as follows:

Sr. No.	Name of the Promoter	No. of Equity Shares	% of Total Issued Capital
1.	Mr. Mangilal Borana	59,500	4.96
2.	Mr. Rajkumar Borana	59,500	4.96
3.	Mr. Ankur Borana	69,500	5.79
4.	Mr. Nareshkumar Borana	62,000	5.17
5.	Ankur Borana HUF	20,000	1.67
6.	Mrs. Mohini Devi M. Borana	20,000	1.67
7.	Mrs. Sharmila R. Borana	15,000	1.25
8.	Mrs. Lalita N. Borana	15,000	1.25
9.	Mangilal Borana HUF	57,000	4.75
10.	Naresh Borana HUF	43,000	3.58
11.	Rajkumar Borana HUF	64,000	5.34
12.	Mrs. Dhawani N. Borana	15,000	1.25
13.	Simpro Vanijya Private Limited	6,000	0.50
14.	Shubh Suppliers Limited	6,000	0.50
15.	Adbhut Sales Private Limited	6,000	0.50
16.	Chakrapani Barter Private Limited	6,000	0.50
17.	Hanuman Exports & Resources Private Limited	4,000	0.33
18.	Swarnganga Vinimay Limited	5,000	0.42
19.	Sapphire Distributors Private Limited	6,000	0.50
20.	Landmark Suppliers Private Limited	5,000	0.42
21.	Bonanza Dealer Private Limited	6,000	0.50
22.	Gungun Exports Private Limited	5,000	0.42
23.	Gravity Impex Private Limited	5,000	0.42
24.	Muskan Vyapar Private Limited	5,000	0.42
25.	Khushi Vyapar Private Limited	5,000	0.42
	Total	5,69,500	47.48

4.5.5 BFPL forms a part of the Borana Group of Companies.

4.5.6 BFPL do not hold any Equity Shares in the Target Company and has filed the following disclosures for the acquisition made in the Target Company, under the provisions of Chapter V of SEBI (SAST) Regulations, 2011:

Sr. No	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
-	-	-	-	-	-	-

4.5.7 The Shareholding Pattern of BFPL as on September 30, 2015 is as under:

Sr. No.	Shareholder's Category	No. of Equity Shares held	Percentage of Shareholding
1.	Promoters	1199500	100
2.	FII/ Mutual Funds/ FIs/ Banks	NIL	NIL
3.	Public	NIL	NIL
	Total Paid Up Capital	1199500	100

4.5.8 The details of the directors of the BFPL as on the date of this Draft Letter of Offer are as follows:

Name	DIN	Date of Appointment	Designation (Whole time director /Independent director)	Qualification	Experience
Rajkumar Borana*	01091166	23.05.2002	Whole Time Director	B.Com	More than 15 years of experience in the business of Textiles
Ankur Borana*	01091164	23.05.2002	Whole Time Director	H.S.C.	More than 13 years of experience in the business of Textile and overall management of affairs of a corporate
Mangilal Borana	01091167	23.05.2002	Whole Time Director	Matriculation	More than 35 years of experience in the business of Textiles
Nareshkumar Borana	00330265	23.05.2002	Whole Time Director	LLB	More than 30 years of experience in the business of Textiles

**Of the above, Rajkumar Borana and Ankur Borana are on the Board of Directors of the Target Company.*

4.5.9 The brief standalone financial information of BFPL, as derived from its audited standalone financial statements as at and for the period ending on September 30, 2015 and F.Y. 2015, 2014 and 2013, as certified by the Auditors, are as under:

(Rs. in Lacs)				
	Audited/Unaudited	Audited	Audited	Audited
Particulars	Period ending September 30, 2015*	FY ending March 31, 2015	FY ending March 31, 2014	FY ending March 31, 2013
Profit & Loss Statement				
Income from operations	1267.78	3501.69	3243.31	2586.23
Other Income	4.71	7.62	5.90	5.19
Total Income	1272.49	3509.31	3249.21	2591.42
Total Expenditure including Depreciation and Finance Cost	1291.34	3521.98	3255.98	2595.11
Profit before Depreciation Interest and Tax	38.42	111.66	108.88	88.32
Depreciation	38.93	83.78	74.52	47.50
Interest	18.34	15.20	27.59	37.12

Profit Before Tax	(18.85)	(12.95)	(6.77)	(3.69)
Provision for Tax	0	5.82	(1.78)	(1.87)
Profit After Tax	(18.85)	(18.78)	(4.98)	(1.81)
Balance Sheet Statement				
Sources of Funds				
Paid up Share Capital	119.95	119.95	119.95	56.95
Reserves and Surplus (excluding revaluation reserves)	782.40	801.26	820.03	384.02
Networth	902.35	921.21	939.98	440.97
Secured Loans	7.44	202.10	77.15	286.89
Unsecured Loans	227.38	109.96	9.96	33.24
Total	1137.17	1233.27	1027.09	761.1
Uses of funds				
Net fixed assets	379.48	400.01	403.56	201.79
Investments	18.93	18.932	18.932	18.932
Long Term Loans & Advances	19.34	20.86	16.30	14.498
Net current assets	719.42	793.47	588.30	525.88
Total miscellaneous expenditure not written off		0	0	0
Total	1137.17	1233.27	1027.09	761.1
Other Financial Data				
Dividend (%)	NIL	NIL	NIL	NIL
Earning per share (in Rs.)	(1.57)	(1.57)	(0.42)	(0.32)

*Certified by statutory auditor

4.5.10 There were no major contingent liabilities at each of the period end dated of September 30, 2015 and FY ending March 31, 2015 except as disclosed in audited balance sheet as on March 31, 2015 for income tax liability.

4.5.11 The Equity Shares of BFPL are not listed on any Stock Exchange in India.

4.6 Rawatkhedhia Processors Private Limited ("RPPL")

4.6.1 Rawatkhedhia Processors Private Limited was originally incorporated on February 19, 2004 under the name and style of "Rawatkhedhia Processors Private Limited" under the Companies Act, 1956, with Registrar of Companies, Ahmedabad. The corporate identification Number is U17111GJ2004PTC043648.

4.6.2 The registered office of RPPL is situated at Plot No 194 184/3 Nrbaleshwar Khadi, National Highway No 8, Baleshwar Taluka, Surat, Gujarat

4.6.3 RPPL is engaged in the business of manufacturing, ginning, pressing, sanforising, mercerizing, printing or otherwise processing of manmade fibres, cotton fibres, fabrics of cotton, silk, nylon, art silk, polyester, chiffon, acrylic, rayon, wool, shoddy, jute, ham and other fibres and fabrics of textile products.

4.6.4 The details of the promoters of the RPPL and their shareholding is as follows:

Sr. No.	Name of the Promoter	No. of Equity Shares	% of Total Issued Capital
1.	Mr. Anandkumar V. Dalmia	20250	1.58
2.	Mr. Amit A. Dalmia	53900	4.20
3.	Mr. Deepak A. Dalmia	82500	6.43
4.	Mrs. Sunaina Dalmia	75000	5.85

5.	Mrs. Deepa Dalmia	75000	5.85
6.	Mrs. Shashidevi Dalmia	80000	6.24
7.	Mr. Nirmal Dalmia	82000	6.39
8.	Ms. Nishka Dalmia	75000	5.85
9.	M/s. Bhagwati Syntex Pvt. Ltd.	97000	7.56
10.	M/s. Mayfair Vinimay Pvt. Ltd.	220000	17.15
11.	M/s. Rawatkheria Silk Mill Pvt. Ltd.	122000	9.51
	Total	982650	76.61

4.6.5 RPPL forms a part of the Rawatkheria Group of Companies.

4.6.6 RPPL do not hold any Equity Shares in the Target Company and has filed the following disclosures for the acquisition made in the Target Company, under the provisions of Chapter V of SEBI (SAST) Regulations, 2011:

Sr. No	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
-	-	-	-	-	-	-

4.6.7 The Shareholding Pattern of RPPL as on September 30, 2015 is as under:

Sr. No.	Shareholder's Category	No. of Equity Shares held	Percentage Shareholding of
4.	Promoters	982650	76.61
5.	FII/ Mutual Funds/ FIs/ Banks	NIL	NIL
6.	Public	300000	23.39
	Total Paid Up Capital	1282650	100

4.6.8 The details of the directors of the RPPL as on the date of this Draft Letter of Offer are as follows:

Name	DIN	Date Appointment of	Designation (Whole time director /Independent director)	Qualification	Experience
Amit Dalmia*	00034642	19.02.2004	Whole Time Director	B.Com	15 years of experience in the business of Textiles
Anandkumar Dalmia	00034652	19.02.2004	Whole Time Director	B.Com	40 years of experience in the business of Textiles
Deepak Dalmia*	00050547	02.02.2006	Whole Time Director	B.Com	13 years of experience in the business of Textile.

**Of the above, Amit Anand Dalmia and Deepak Dalmia are on the Board of Directors of the Target Company.*

4.6.9 The brief standalone financial information of RPPL, as derived from its audited standalone financial statements as at and for the period FY 2015, 2014 and 2013 and for the half year ended on September 30, 2015, as certified by the Auditors, are as under:

	(Rs. In Lacs)			
	Unaudited	Audited	Audited	Audited
Particulars	Period ending September 30, 2015	FY ending March 31, 2015	FY ending March 31, 2014	FY ending March 31, 2013
Profit & Loss Statement				
Income from operations	1140.21	2702.13	2631.00	2164.82

Other Income	0.30	7.12	57.56	3.43
Total Income	1140.50	2709.25	2688.56	2168.25
Total Expenditure including depreciation and finance cost	1124.88	2695.62	2696.10	2182.55
Profit before Depreciation Interest and Tax	66.05	111.85	148.54	147.78
Depreciation	45.15	82.13	138.79	130.86
Interest	5.28	16.10	17.29	31.22
Profit Before Tax	15.63	13.62	(7.54)	(14.29)
Provision for Tax	-	22.48	(28.83)	(7.19)
Profit After Tax	15.63	(8.86)	21.29	(7.10)
Balance Sheet Statement	Period ending September 30, 2015	FY ending March 31, 2015	FY ending March 31, 2014	FY ending March 31, 2013
<i>Sources of Funds</i>				
Paid up Share Capital	128.27	128.27	128.27	98.27
Reserves and Surplus (excluding revaluation reserves)	1240.60	1224.98	1253.40	962.11
Networth	1368.87	1353.24	1381.66	1060.37
Long Term Borrowings	84.27	49.00	71.80	398.75
Deffered Tax Liabilities	79.60	79.60	95.17	124.00
Total	1532.74	1481.85	1548.63	1583.13
<i>Uses of funds</i>				
Net fixed assets	685.47	695.64	583.14	694.92
Capital Work in Progress	-	-	1.37	1.37
Investments	1.50	1.50	1.50	1.50
Long Term Loans & Advances	289.12	216.22	169.87	155.14
Net current assets	556.65	568.48	792.75	730.20
Total miscellaneous expenditure not written off	-	-	-	-
Total	1532.74	1481.85	1548.63	1583.13
Other Financial Data				
Dividend (%)	-	-	-	-
Earning per share	1.21	(0.69)	1.66	(17.22)

4.6.10 There were no major contingent liabilities at each of the period end dated of Septe and FY ending March 31, 2015.

4.6.11 The Equity Shares of RPPL are not listed on any Stock Exchange in India.

- 4.7 Mr. Amit Anand Dalmia, Mr. Rajkumar Borana, Mr. Ankur Borana and Mr. Deepak Dalmia are also on the Board of Director of the Target Company.
- 4.8 Acquirers are person acting in concert with each other for this Open Offer.
- 4.9 The Acquirers have not entered into any formal agreement with respect to the acquisition of shares through this Offer and are acting together under an informal understanding.
- 4.10 Mr. Amit Anand Dalmia and Mr. Deepak Dalmia are brothers and Mr. Rajkumar Borana and Mr. Ankur Borana are brothers.
- 4.11 The Acquirers have confirmed that the contents of the public announcement, the detailed public statement, and the letter of offer are true, fair and adequate in all material aspects and not misleading in any material particular and also ensure that the post-offer advertisement will be true, fair and adequate in all material aspects and not misleading in any material particular, and are based on reliable sources, and the source will be stated wherever necessary

5. BACKGROUND OF THE TARGET COMPANY- R & B Denims Limited

- 5.1 R&B Denims Limited was originally incorporated on November 17, 2010 as “R&B Denims Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat and Dadra & Nagar Haveli. Subsequently converted into a public limited company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on December 15, 2010 and the name of the Company was changed to “R&B Denims Limited” vide a fresh Certificate of Incorporation dated March 08, 2011 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli (*Source: Prospectus dated March 21, 2014*)
- 5.2 The Registered Office of the Target Company is situated at Block No. 467, Sachin Palsana Road, Palsana, Surat-394 315, Gujarat.
- 5.3 The Authorized Share Capital of the Target Company is Rs. 25,50,00,000/- (Rupees Twenty Five Crores Fifty Lakhs Only) comprising of 2,55,00,000 equity shares of Rs. 10/- each. The total Issued, Subscribed and Paid-up Equity Share Capital of the Target Company is Rs. 13,99,46,880/- (Rupees Thirteen Crores Ninety Nine Lakhs Forty Six Thousand Eight Hundred Eighty Only) comprising of 1,39,94,688 equity shares of Rs 10/- each fully paid up. (*Source: Annual Accounts of March 31, 2015*).
- 5.4 The share capital structure of the Target Company is as follows:

Paid up Equity Shares of RBDL	No. of equity shares/ voting rights	% of Shares / voting rights
Fully paid-up equity shares	1,39,94,688	100
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	1,39,94,688	100
Total voting rights	1,39,94,688	100

- 5.5 The equity shares (ISIN: INE012Q01013, Scrip Code: 538119) of the Target Company are currently listed at SME Segment of BSE Limited, Mumbai (“BSE SME”) and the trading of its equity shares is not currently suspended on BSE Limited. (*Source: BSE website*).
- 5.6 Based on the information available on the BSE website, the equity shares of RBDL are frequently traded within the meaning of Regulation 2(1) (j) of SEBI (SAST) Regulations.
- 5.7 There are no outstanding warrants/ convertible securities and/or partly paid-up shares in the Target Company. (*Source: Annual Accounts of March 31, 2015*).
- 5.8 No punitive action has been taken against the Target Company by the Stock Exchange.
- 5.9 There are no equity shares which are not listed with SME Segment of BSE Limited.
- 5.10 The composition of the Board of Directors of RBDL is as follows:

Name of Director	Designation (Whole time director / independent director)	Date of Appointment
Mr. Amit Anand Dalmia*	Whole-time Director	17.11.2010
Mr. Deepak Dalmia*	Whole-time Director	17.11.2010
Mr. Dharmesh Praful chandra Mehta	Director	03.01.2014

Mr. Ankur Mangilal Borana*	Whole-time Director	17.11.2010
Mr. Rajkumar Mangilal Borana*	Managing Director	17.11.2010
Mr. Girish Kumar Kalawatia	Director	03.01.2014
Mr. Manak Lal Tiwari	Director	03.01.2014
Mrs. Prerna Vikas Jain	Director	22.09.2014

**Of the above directors of the Target Company, Amit Anand Dalmia, Deepak Dalmia, Ankur Borana and Rajkumar Borana are the Acquirers. However, they shall not participate in any deliberations of the Board of Directors of the Target Company or vote on any matter relating to the Offer*

- 5.11 There has been no merger / de-merger or spin off in the Target Company during the past three years.
- 5.12 There has been no change in the name of the Target Company except for the deletion of the word “Private” pursuant to the conversion of the Company into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on December 15, 2010 vide a fresh Certificate of Incorporation dated March 8, 2011 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
- 5.13 The Equity Shares of the Target Company got listed on the SME Platform of BSE Ltd. on April 22, 2014.
- 5.14 Audited financial information of RBDL for the period ended on September 30, 2015 and Financial Year ended March 31, 2015, March 31, 2014 and March 31, 2013 are given below:

Profit and Loss Statement

(Rs. In Lakhs)

Particulars	FY year Ended 30.09.2015 (Unaudited)	FY year Ended 31.03.2015 (Audited)	FY year Ended 31.03.2014 (Audited)	FY year Ended 31.03.2013 (Audited)
Revenue from Operations	7360.07	15443.47	10728.04	5801.83
Other Income	152.90	219.32	173.07	70.16
Total Income	7512.97	15662.78	10901.11	5871.99
Depreciation and Amortization	440.92	845.33	505.75	382.80
Finance Cost	230.61	447.55	387.81	312.66
Total Expenditure	7489.05	15585.50	10846.04	5854.22
Profit before exceptional and extraordinary item	23.92	77.29	55.07	17.77
Exceptional Item	0	0	17.84	0
Profit/(Loss) before Tax	23.92	77.29	37.23	17.77
Provision for Tax	11.91	40.41	19.89	3.39
Profit/(Loss) after Tax	12.01	36.88	17.34	14.38

Balance Sheet Statement

(Rs. In Lakhs)

Particulars	FY year Ended 30.09.2015 (Unaudited)	Year ended 31.03.2015 (Audited)	Year Ended 31.03.2014 (Audited)	Year Ended 31.03.2013 (Audited)
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	1399.47	1399.47	1028.47	629.52
Reserves and surplus	1523.06	1511.04	1474.16	1255.77
Non-current liabilities				

Long-term borrowings	3086.22	2360.51	2527.39	1724.85
Deferred Tax Liabilities (Net)	70.08	62.79	22.87	-
Other Long term liabilities	-	-	-	-
Long-term provisions	-	1.07	105.86	-
Current Liabilities				
Short-term borrowings	519.97	0.00	1070.06	252.34
Trade payables	678.47	581.57	488.68	181.47
Other current liabilities	284.28	813.48	709.28	230.63
Short-term provisions	266.61	163.79	101.29	59.78
Networth	2922.53	2910.51	2502.63	1885.29
TOTAL	7828.15	6893.73	7423.24	4384.34
ASSETS				
Non-Current Assets				
Fixed assets				
Tangible assets	4043.05	3828.92	4629.81	2450.26
Intangible assets	-	-	-	-
Capital work-in-progress	32.00	595.84	-	93.31
Non-current investments	426.00	-	-	-
Long-term loans and advances	54.45	28.45	15.00	15.00
Other non-current assets	465.80	386.00	176.84	157.52
Current Assets				
Inventories	1666.30	1074.45	1492.70	538.88
Trade receivables	678.80	671.29	825.11	497.21
Cash and cash equivalents	80.82	80.41	32.48	306.60
Short-term loans and advances	369.92	228.38	234.56	306.63
Other current assets	11.00	-	16.74	18.94
TOTAL	7828.15	6893.73	7423.24	4384.34

Other Financial Data

Particulars	FY year Ended 30.09.2015	Year ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2013
	(Unaudited)	(Audited)	(Audited)	(Audited)
Dividend (%)	-	-	-	-
Earning Per Share (in Rs.)	0.09	0.27	0.20	0.33
Return on Networth (%)	0.41	1.27	0.69	0.76
Book Value Per Share (in Rs.)	20.88	20.80	24.33	29.95

5.15 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.	%
1	Promoter Group								
a	Parties to agreement	0	0.00	0	0.00	0	0.00	0	0.00
b	Promoters other than	0	0.00	0	0.00	0	0.00	0	0.00

	(a) above								
	Total 1 (a+b)	0	0.00	0	0.00	0	0.00	0	0.00
2	Main Acquirers (Promoter Group)**								
2.1	Amit Anand Dalmia	5,49,171	3.92			36,38,619	26.00	71,72,797	51.25
2.2	Deepak Dalmia	5,49,168	3.92						
2.3	Rajkumar Mangilal Borana	13,12,921	9.38						
2.4	Ankur Mangilal Borana	11,22,918	8.02						
2.5	Rawatkhedha Processors Private Limited	0	0.00						
2.6	Borana Filaments Private Limited	0	0.00						
	Total 2.1+2.2+2.3+2.4+2.5+2.6	35,34,178	25.25			36,38,619	26.00	71,72,797	51.52
	Promoters other than (1) & (2) above	2,872,500	20.53			-	-	2,872,500	20.53
	Total Promoter/Promoter Group	64,06,678	45.78	0	0.00	36,38,619	26.00	1,00,45,297	71.78
3	Parties to Agreement other than (1)(a) & (2)	0	0.00	0	0.00	0	0.00	0	0.00
4	Public (other than parties to Agreement and acquirers)	0	0.00	0	0.00	0	0	0	0
a	Individuals	34,18,010	24.42	0	0.00	(36,38,619)	(26.00)	39,49,391	28.22
b	Bodies Corporate	33,70,000	24.08	0	0.00				
c	FIs / Banks	0	0.00	0	0.00				
b	Others (Clearing Members)	8,00,000	5.72	0	0.00				
	Total 4 (a+b+c+d)	75,88,010	54.22	0	0.00	(36,38,619)	(26.00)	39,49,391	28.22
	Grand Total (1+2+3+4)	13994688	100					13994688	100

Notes: (1) The data within bracket indicates sale of equity shares.

(2) May undergo change in case further acquisition is being made by the Acquirers during the period between the date of this Draft Letter of Offer till three working days prior to the commencement of the tendering period.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

The equity shares of the Target Company are listed at SME Exchange of BSE Limited. The equity shares of the Target Company are frequently traded on BSE-SME within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, based on the information available on the BSE website.

- 6.1 The annualized trading turnover of the equity shares traded during the twelve calendar months preceding November 2015, the month in which the PA was made, is as given below:

Sr. No.	Name of the Stock Exchanges	Total no. of equity shares traded during the 12 calendar months preceding to November 2015	Total no. of equity share listed	Traded Turnover (in terms of % to total listed shares)
1	BSE-SME	23,00,000	1,39,94,688	16.43%

*(Source: www.bseindia.com)

- 6.2 As per Regulation 8(2)(d) of the SEBI (SAST) Regulations, the calculation of the volume-weighted average market price of the Equity Shares, for a period of sixty (60) trading days immediately preceding the date of PA i.e. November 30, 2015, as traded on BSE is as follows:

Date	Day	No.of Shares	Total Turnover (Rs.)
27-Nov-15	Friday	0.00	0.00
26-Nov-15	Thursday	0.00	0.00
24-Nov-15	Tuesday	0.00	0.00
23-Nov-15	Monday	0.00	0.00
20-Nov-15	Friday	0.00	0.00
19-Nov-15	Thursday	0.00	0.00
18-Nov-15	Wednesday	0.00	0.00
17-Nov-15	Tuesday	0.00	0.00
16-Nov-15	Monday	0.00	0.00
13-Nov-15	Friday	0.00	0.00
10-Nov-15	Tuesday	0.00	0.00
9-Nov-15	Monday	3,00,000	30,00,000
6-Nov-15	Friday	0.00	0.00
5-Nov-15	Thursday	0.00	0.00
4-Nov-15	Wednesday	0.00	0.00
3-Nov-15	Tuesday	0.00	0.00
2-Nov-15	Monday	0.00	0.00
30-Oct-15	Friday	0.00	0.00
29-Oct-15	Thursday	10,000	1,00,000
28-Oct-15	Wednesday	0.00	0.00
27-Oct-15	Tuesday	10,000	1,00,000
26-Oct-15	Monday	10,000	1,00,000
23-Oct-15	Friday	0.00	0.00
21-Oct-15	Wednesday	1,60,000	15,45,000
20-Oct-15	Tuesday	0.00	0.00
19-Oct-15	Monday	0.00	0.00
16-Oct-15	Friday	2,50,000	21,25,000
15-Oct-15	Thursday	0.00	0.00
14-Oct-15	Wednesday	0.00	0.00
13-Oct-15	Tuesday	0.00	0.00
12-Oct-15	Monday	0.00	0.00
9-Oct-15	Friday	0.00	0.00
8-Oct-15	Thursday	0.00	0.00
7-Oct-15	Wednesday	3,20,000	25,29,000
6-Oct-15	Tuesday	0.00	0.00
5-Oct-15	Monday	0.00	0.00
1-Oct-15	Thursday	0.00	0.00
30-Sep-15	Wednesday	0.00	0.00
29-Sep-15	Tuesday	0.00	0.00
28-Sep-15	Monday	0.00	0.00
24-Sep-15	Thursday	1,00,000	9,01,000
23-Sep-15	Wednesday	0.00	0.00
22-Sep-15	Tuesday	0.00	0.00

21-Sep-15	Monday	0.00	0.00
18-Sep-15	Friday	0.00	0.00
16-Sep-15	Wednesday	0.00	0.00
15-Sep-15	Tuesday	1,60,000	12,52,000
14-Sep-15	Monday	2,00,000	17,63,500
11-Sep-15	Friday	0.00	0.00
10-Sep-15	Thursday	10,000	1,07,500
9-Sep-15	Wednesday	1,10,000	11,55,000
8-Sep-15	Tuesday	1,50,000	15,00,000
7-Sep-15	Monday	1,10,000	11,27,500
4-Sep-15	Friday	0.00	0.00
3-Sep-15	Thursday	0.00	0.00
2-Sep-15	Wednesday	0.00	0.00
1-Sep-15	Tuesday	0.00	0.00
31-Aug-15	Monday	0.00	0.00
28-Aug-15	Friday	0.00	0.00
27-Aug-15	Thursday	0.00	0.00
Total		19,00,000	1,73,05,500

- 6.3 Based on the information available on the website of BSE, the equity shares of the Target Company are frequently traded on the BSE (within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations. Hence, the Offer Price of Rs. 11/- (Rupees Eleven only) per fully paid up Equity Share has been determined and justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following: The Offer Price of Rs. 11 (Rupees Eleven 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	NA
b.	Volume weighted average price paid or payable by the Acquirers for acquisition during 52 weeks immediately preceding the date of Public Announcement	8.47
c.	Highest Price paid or payable by the Acquirers for any acquisition during 26 weeks immediately preceding date of Public Announcement.	8.75
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	9.11

In view of the parameters considered and presented in table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 10/- (Rupees Ten only) per fully paid up Equity Share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

- 6.4 The Offer Price of Rs. 10 each (Rupees Ten 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.
- 6.5 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.
- 6.6 The Acquirers shall disclose during the offer period, every acquisition made by them of any equity shares of the Target Company, to the Stock Exchanges and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6).
- 6.7 In case the Acquirers acquire or agree to acquire any shares or voting rights in the Target Company during the offer period, 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 Acquirers 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.

- 6.8 If the Acquirers acquire Equity Shares during the period of twenty six weeks after the closure of tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose Equity Shares have been accepted in this 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 another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of Equity Shares in any form
- 6.9 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.
- 6.10 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 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 Acquirers 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 BSE,, SEBI and the Target Company at its Registered Office of such revision.

7. FINANCIAL ARRANGEMENTS

- 7.1 Assuming full acceptance of this Offer, the total requirement of funds for this Offer is Rs 3,63,86,190/- (Rupees Three Crores Sixty three lacs Eighty Six Thousand One Hundred and Ninety Only) (***“Offer Consideration”***).
- 7.2 The Acquirers has adequate internal resources to meet the financial requirements of the Open Offer. No borrowings from any Bank/ Financial Institution such as NRIs or otherwise is envisaged by him. The Acquirers have 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 his own internal resources.
- 7.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Current Account as well as Fixed Deposit Escrow Account. Both accounts are part of Escrow Account which is in the name and style of ***“R&B- Open Offer-Escrow A/c-HSL”*** with Indusund Bank, having its Branch at Fort, Mumbai - 400001 (***“Escrow Banker”***) and have deposited an amount of Rs. 1,00,00,000/- (Rupees One Crore Only) in cash, being more than 25% of the Maximum Consideration payable under this Offer.
- 7.4 The Acquirers have duly empowered and authorized **Hem Securities Limited**, the Manager to the Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 7.5 CA Pradeep Kumar Singhi (M. No. 024612) proprietor of M/s. Pradeep Singhi & Associates(FRN No. 108029W) Chartered Accountants having office at A/501, President Plaza, R.T.O. Circle, Ring Road, Surat, Gujrat and CA Ashok Baheti (Membership No. 102726), Proprietor of M/s. Ashok Baheti & Co.(FRN No. 131758W) Chartered Accountants, having his office at 37, Reshamwala Market, Ring Road, Surat, Gujrat has certified and confirmed vide his Certificate dated October 21, 2015 and October 23, 2015 respectively that Acquirers have sufficient liquid funds to meet their part of obligations under the SEBI (SAST) Regulations.
- 7.6 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 Acquirers prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
- 7.7 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 Acquirers under the Offer.
- 7.8 In case the Acquirers acquire 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 Acquirers 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.

8. TERMS AND CONDITIONS OF THE OFFER

- 8.1 The offer is being made to all public shareholders of the Target Company, except the Acquirers and person acting in concert with the Acquirers, if any whether holding Equity shares in dematerialized form or physical form, registered or unregistered are eligible to participate in the Offer any time before closure of the tendering period. The Offer is subject to the terms and conditions set out in this DLOO, the Form of Acceptance, PA, DPS and any other Public Announcements that may be issued with respect to the Offer.

- 8.2 The Letter of Offer (LOO) along with the Form of Acceptance shall be sent to all eligible Equity Shareholders / Beneficial Owners whose names appear in the register of members of the Target Company as on Identified Date *i.e.* Thursday, January 07, 2015.
- 8.3 This Offer is also open to those persons who acquire the Equity Shares in the Target Company any time prior to the date of the Closure of the Tendering Period but are not registered Shareholders.
- 8.4 Accidental omission to dispatch the Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.
- 8.5 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 Acquirers) to the concerned statutory authorities for further action by such authorities.
- 8.6 The Acquirers shall acquire the Shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 8.7 Consideration for equity shares accepted would be paid in the name of first shareholder/ unregistered shareholder and will be intimated by the registered post/UPC to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.
- 8.8 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.
- 8.9 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.
- 8.10 **Locked in Equity Shares:** Regarding acceptance of Lock-in Shares, whether acquired pursuant to the agreement or the Offer, the same can be acquired by the Acquirers subject to continuation of the residual lock-in period in the hands of the Acquirers and there shall be no discrimination in the acceptance of locked-in and not locked-in shares. To the best of our knowledge, the Target Company has no Equity Shares which are locked in.
- 8.11 The PA, DPS and LOO along with Form of Acceptance will be available on the SEBI website *i.e.* www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Equity Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date *i.e.* Thursday, January 07, 2015, but before the Closure of Tendering Period, if they so desire, the Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at www.sebi.gov.in, or obtain it from the Registrar to the Offer and send in their acceptances to the Registrar to the Offer by filling the same.
- 8.12 Incomplete acceptances, including non submission of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 8.13 The acceptance of this offer is entirely at the discretion of the eligible Equity Shareholder(s) /Beneficial owner(s) of the Target Company. The Acquirers 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.
- 8.14 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.
- 8.15 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.
- 8.16 The Acquirers, Manager to the Offer or Registrar to the Offer accepts no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc, during transit and the Equity shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- 8.17 **STATUTORY AND OTHER APPROVALS**

To the best of knowledge and belief of the Acquirers, as of the date of this DLOO, there are no statutory approvals and/or consent 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.

- 8.17.1 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 Acquirers reserves the right to reject such Equity Shares tendered in this Offer.
- 8.17.2 Subject to the receipt of statutory approvals, if any, the Acquirers shall complete all procedures relating to this Offer within 10 working days from the Date of Closure of the Tendering Period to those equity shareholders whose share certificates and / or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
- 8.17.3 If any of the statutory approval, are not met for reasons outside the reasonable control of the Acquirers, or in the event the statutory approvals are refused, the Acquirers, 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, the Stock Exchanges and the Target Company at its Registered Office.
- 8.17.4 In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant extension of time for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the Equity Shareholders as directed by SEBI, in terms of regulation 18(11) of the SAST Regulations. However, where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirers have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

- 9.1 All Public Shareholders of the Target Company, other than the Acquirers and person acting in concert with the Acquirers, if any, whether holding Equity shares in dematerialized form or physical form, registered or unregistered are eligible to participate in the Offer any time before closure of the tendering period.
- 9.2 Persons who have acquired the 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 not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving regarding their shareholding and confirming their consent to participate in this offer on the terms and conditions of this Offer as set out in PA, the DPS and DLOO. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance-cum-Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or the Registrar to the Offer.
- 9.3 The Open Offer will be implemented by the Company through Stock Exchange Mechanism made available by BSE Limited (BSE) 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 issued by SEBI.
- 9.4 The Acquirers shall appoint Buying Broker for the Open Offer through whom the purchases and the settlement of the Open Offer shall be made during the tendering period.
- 9.1 BSE shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
- 9.2 The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available to the Stock Exchange in the form of a separate window (Acquisition Window).
- 9.3 All the shareholders who desire to tender their shares under the open Offer would have to intimate their respective stock broker (Selling Broker) during the normal trading hours of the secondary market during tendering period.
- 9.4 Separate Acquisition window will be provided by the Stock Exchange to facilitate placing of sell orders. The selling members can enter orders for demat Shares as well as physical shares.
- 9.5 The Acquirer has appointed HEM Securities Limited ("Buying Broker") for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the tendering period.

The Contact details of the Buying Broker are as mentioned below:

HEM Securities Limited

203, Jaipur Tower, M.I. Road,
Jaipur, Rajasthan
Tel: 0141-237 8608, 236 3278;
Fax: 0141-510 1757;
Contact Person: Mr. Anil Bhargava

- 9.6 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 tendering period
- 9.7 Separate Acquisition window will be provided by the stock exchange to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Shares as well as physical Shares.
- 9.8 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during tendering period.
- 9.9 Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).

9.10 Procedure for tendering Equity Shares held in Dematerialised Form:

- a. 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 /Selling Broker indicating to their broker the details of Equity Shares they intend to tender in Open Offer.
- b. 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 alongwith 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 bids / 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 bid, the Selling Broker(s) shall provide TRS generated by the Exchange Bidding System to the shareholder. TRS will contain details of order submitted like Bid ID No. DP ID, Client ID, No of Shares tendered etc
- h. The Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

9.11 Procedure for tendering Equity Shares held in Physical Form:

- (a) The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Member and submit complete set of documents for verification procedure as mentioned below

- (i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- (ii) Original share certificate(s).
- (iii) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.
- (iv) Self attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
- (v) Any other relevant document such as Power of Attorney, corporate authorization (including board resolution/ specimen signature)
- (vi) Self attested copy of address proof such as valid Aadhar Card, Voter ID, Passport.
- (vii) The Seller Member(s) should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Seller Member(s) to print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
- (viii) The Seller Member(s) / Investor has to deliver the shares & documents along with TRS to the RTA. Physical Share Certificates to reach RTA within 2 days of bidding by Seller Member.
- (ix) Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Open Offer shall be subject to verification by RTA. On receipt of the confirmation from RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- (x) In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before Closing Date.

The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be required to fill the respective Form of Acceptances. Public Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be sent respective Form of Acceptances along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance. Form of Acceptance will not be sent to the Public Shareholders holding Equity Shares in Demat mode.

9.12 Acceptance of Shares

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

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

9.13 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 / Selling Broker and tender Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Acceptance Form.

Letter of Offer along with a Form of Acceptance-cum- Acknowledgement ("Form of Acceptance"), will be dispatched to all the eligible shareholders of the Target Company, whose names appear on the Register of Members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on January 07, 2015, ("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) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the equity shares of the Target Company.

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

9.14 Settlement Process

- a. 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.
- b. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- c. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Seller Member / Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients.
- d. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.
- e. The direct credit of shares shall be given to the escrow demat account of the Acquirer indicated by the Acquirer's Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available.
- f. 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 escrow account which will be opened by the Acquirer.
- g. 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 Member(s) / Custodian, post which, the Seller Member(s) would then issue contract note for the shares accepted and return the balance shares to the Shareholders.
- h. Any excess Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholder(s) directly by Registrar to the Offer.
- i. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

9.15 Settlement of Funds / Payment Consideration

The Settlement of fund obligation for demats and physical shares shall be effected through existing settlement accounts of Seller Members.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Seller Member / Custodian Participant will receive funds payout in their settlement bank account. The Seller Members / Custodian Participants would pay the consideration to their respective clients.

The funds received from Buyer Broker by the Clearing Corporation will be released to the Seller Member(s) as per secondary market pay out mechanism.

Shareholders who intend to participate in the Offer should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Seller Member, 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.

Where the number of equity shares tendered by the shareholders are more than the Equity Shares agreed to be acquired by Acquirers, the Acquirers will accept the offers received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.

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) of the SEBI (SAST) Regulations, 2011

- 9.16 In addition to the documents mentioned elsewhere in this Offer document, Non-resident shareholders (**NRI**s / **OCBs** / **FII**s) who wish to tender their Equity Shares must submit the following additional documents along with the Form of Acceptance-cum-Acknowledgement:
- Self attested copy of PAN Card
 - Appropriate No Objection Certificate (NOC) or Tax Clearance Certificate (TCC) from the Income Tax Authorities under sections 195(3) or 197 of the Income Tax Act, for deduction of tax at a lower or nil rates. **In case the aforesaid No Objection Certificate / Tax Clearance Certificate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirers will send the proof of having deducted and paid the tax along with the payment consideration.**
 - Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act)
 - Self attested declaration in respect of residential status, status of Shareholders (e.g. Individual, Firm, Company, FII, Trust, or any other-please specify)
 - In case of FII, FII Certificate(i.e. self attested declaration certifying that the investment in the Equity Shares has been made under the FII regime as per the SEBI (Foreign Institutional Investors) Regulations, 1995 and that the nature of income arising from the sale of Equity Shares as per the Income Tax Act is capital gains.
 - SEBI registration certificate for FII
 - RBI and other approval (s) obtained for acquiring the Equity Shares of the Target Company, if applicable.
 - In case of Non-resident equity shareholders, Foreigners, Foreign Companies and Foreign Institutional Investors, photocopies of the approval(s) by the Reserve Bank of India for acquiring and holding equity shares in RBDL.

Compliance with Tax Requirement:

- NRIs/ OCBs/ FIIs**
 - ✓ In case No Objection Certificate or Tax Clearance Certificate is not submitted, the Acquirers will deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirers will send the proof of having deducted and paid the tax along with the payment consideration.
 - ✓ In the case, shares being acquired by Acquirers and being responsible for paying to non-residents (including FIIs/OCBs) any income by way of interest, is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable).
 - ✓ All other taxes as may be applicable including TDS or withholding tax as per Income Tax Act 1961 will be deducted at the time of making payment to the successful shareholders. For claiming any lesser tax deduction/ withholding tax all necessary documents to be provided well in advance before making payments to successful shareholders. In absence of the same the Tax deduction/ withholding tax will be deducted at maximum marginal rate.
- Resident Shareholder:** In case of acquisition made by individual acquirers, no TAX will be deducted. However, the acquirers will deduct Tax at the stipulated rate on interest, to the extent of the acquisition made by the corporate entity, if such interest amount payable exceeds Rs. 5,000.

- 9.4 **Acquirers will acquire up to 36,38,619 equity shares of Rs. 3,63,86,190/- each tendered in the Offer with valid applications.**

10. 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 14/15, 1st Floor, Khatau Building, Bank Street, Fort, Mumbai- 400 001 from 10:30 hours to 13:00 hours on any working day, except Saturdays, Sundays and Holidays until the Closure of the Tendering Period.

- Memorandum of Understanding between Manager to the Offer **i.e. Hem Securities Limited** and the Acquirers.
- Copy of the agreement between the Registrar to Issue **i.e. Bigshare Services Private Limited** and the Acquirers.
- CA Pradeep Kumar Singhi (M. No. 024612) proprietor of M/s. Pradeep Singhi & Associates(FRN No. 108029W) Chartered Accountants having office at A/501, President Plaza, R.T.O. Circle, Ring Road, Nanpura, Surat, Gujrat and CA Ashok Baheti (Membership No. 102726), Proprietor of M/s. Ashok Baheti & Co.(FRN No. 131758W) Chartered Accountants, having his office at 37, Reshamwala Market, Ring Road, Surat, Gujrat has certified and confirmed vide his Certificate dated October 21, 2015 and October 23, 2015 respectively that Acquirers have sufficient liquid funds to meet their part of obligations under the SEBI (SAST) Regulations.
- Audited Annual Reports of RBDL for years ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011.

- 10.4 Undertaking from the Acquirers, stating full responsibility for all information contained in the PA and the Letter of Offer.
- 10.5 Certificate from Indusund Bank dated December 9, 2015 confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulations.
- 10.6 Memorandum and Articles of Association of R & B Denims Limited.
- 10.7 Public Announcement dated November 30, 2015 and Detailed Public Statement which is published on December 07, 2015.
- 10.8 Recommendation made by the committee of independent directors of Target Company dated [•] in compliance with Regulation 26(7) of SEBI (SAST) Regulations.
- 10.9 Observation letter dated [•] on the Draft Letter of offer filed with the Securities and Exchange Board of India.

11. DECLARATION BY THE ACQUIRERS

- 11.1 The Acquirers namely Mr. Amit Anand Dalmia, Mr. Rajkumar Borana, Mr. Ankur Borana, Mr. Deepak Dalmia, Rawatkheria Processors Private Limited, Borana Filaments Private Limited and its Directors accept full responsibility, severally and jointly, for the information contained in this Letter of Offer (except for the information regarding the Target Company which has been compiled from the publicly available information and information provided by the Target Company) and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof. The Acquirers is responsible for ensuring compliance with the SEBI (SAST) Regulations.
- 11.2 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.

Mr. Amit Anand Dalmia

Mr. Rajkumar Borana

Mr. Ankur Borana

Mr. Deepak Dalmia

(Authorised Signatory)

Place: Mumbai

Date: Monday, December 14, 2015