

## LETTER OF OFFER

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

This letter of offer (“**Letter of Offer**” or “**LOF**”) is sent to you as a Public Shareholder (as defined below) of Tourism Finance Corporation of India Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager (as defined below) / Registrar to the Open Offer (as defined below). In case you have recently sold your Equity Shares (as defined below), please hand over this Letter of Offer and the accompanying Form of Acceptance (as defined below) and transfer deed to the member of stock exchange through whom the said sale was effected.

**REDKITE CAPITAL PRIVATE LIMITED (“Acquirer”)**

**A private limited company incorporated under the provisions of the Companies Act, 1956**

Registered office: 4852/24, 1st Floor, Ansari Road, Dariya Ganj, Delhi – 110002, India

(Tel: +91-11-4156 3188)

**along with the following persons acting in concert (“PACs”)**

**INDIA OPPORTUNITIES III PTE. LIMITED (“PAC 1”)**

**A private limited company incorporated under the laws of Singapore**

Registered office: 39 Robinson Road, #15-03 Robinson Point, Robinson Point, Singapore – 068911

(Tel: +65 6653 1005, Fax: +65 6604 6505)

and

**MR. KOPPARA SAJEEVE THOMAS (“PAC 2”)**

Residing at 23 Stevens DR, 04-01 Parc Stevens, Singapore – 257914

(Tel: +65 6728 9586)

**MAKE A CASH OFFER OF INR 157.20 (INDIAN RUPEES ONE HUNDRED FIFTY SEVEN AND TWENTY PAISE ONLY) PLUS INTEREST @ 10% PER ANNUM PER EQUITY SHARE FOR DELAY IN PAYMENT BEYOND THE SCHEDULED PAYMENT DATE (AS DEFINED BELOW) PER FULLY PAID UP EQUITY SHARE OF THE FACE VALUE OF INR 10 (INDIAN RUPEES TEN) EACH, TO ACQUIRE UPTO 20,986,355 (TWO CRORE NINE LAKH EIGHTY SIX THOUSAND THREE HUNDRED AND FIFTY FIVE ONLY) EQUITY SHARES REPRESENTING 26.00% (TWENTY SIX PER CENT) OF THE EQUITY SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SEBI (SAST) REGULATIONS (AS DEFINED BELOW) TO THE PUBLIC SHAREHOLDERS OF**

**TOURISM FINANCE CORPORATION OF INDIA LIMITED**

**A listed public limited company incorporated under the Companies Act, 1956**

Registered Office: 4th Floor Tower-1, NBCC Plaza, Pushp Vihar, Sector-5, Saket, New Delhi - 110017

(Tel: +91-11-29561180, Fax: +91-11-29561171)

CIN: L65910DL1989PLC034812

(hereinafter referred to as the “**Target Company**”)

1. This Open Offer (as defined below) is being made by the Acquirer and the PACs pursuant to and in compliance with the provisions of regulation 3(1) and regulation 4 of the SEBI (SAST) Regulations.
2. This Open Offer is not a conditional offer in terms of regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Open Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.
4. This Open Offer is subject to certain statutory and regulatory approvals, for details and status of such approvals please refer to chapter VI section C (*Statutory & Other Approvals*). This Open Offer would be subject to all statutory approvals that may become applicable at a later date before the completion of the Open Offer.
5. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open 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.

6. The Acquirer may withdraw the Open Offer in accordance with the terms and conditions specified in Chapter II section B (*Details of the Open Offer*) of this Letter of Offer. In the event of a withdrawal of the Open Offer, the Acquirer and PACs (through the Manager) shall, within 2 (two) Working Days (as defined below) of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) had appeared, stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations.
7. The Offer Price (as defined below) may be subject to revision pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period (as defined below) in accordance with regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer or the PACs have acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and PACs shall not acquire any Equity Shares during the period commencing 3 (three) Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer and PACs shall (i) make corresponding increases to the Escrow Amount (as defined below); (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, inform SEBI (as defined below), the Stock Exchanges (as defined below) and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Open Offer.
8. In accordance with the SEBI Letter (defined below), the Acquirer and the PACs are liable to make an interest payment to the Public Shareholders who successfully tender their Equity Shares, to be computed at the rate of 10 (ten) per cent per annum on the Offer Price due to delay in payment as a result of delayed receipt of the RBI Approval (defined below). This payment shall be made within the specified timeframe of 10 (ten) working days from the last date of the Tendering Period.
- Accordingly, the Acquirer and the PACs will make the interest payment at the rate of 10 (ten) per cent per annum on the Offer Price for the period from November 30, 2018 (Scheduled Payment Date) till March 6, 2019 (being the date of the actual date of payment of consideration under the Open Offer), to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. The interest computed at 10 (ten) per cent per annum on the Offer Price over such period is INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share. However, it is clarified that the Acquirer and the PACs shall make this payment of INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share after deduction of taxes at source (“TDS”) in accordance with the provisions of the ITA (as defined below) at the applicable rates. Further, the Interest Payment Amount (defined below) will be paid separately to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.
9. **If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**
10. **There has been no competing offer as of the date of this Letter of Offer.**
- A copy of the Public Announcement (as defined below), the Detailed Public Statement (as defined below), the Draft Letter of Offer (as defined below) and this Letter of Offer (including the Form of Acceptance) is also available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

All future correspondence, if any, should be addressed to the Manager / Registrar to the Open Offer at the addresses mentioned below:

MANAGER TO THE OPEN OFFER	REGISTRAR TO THE OPEN OFFER
 <p><b>IDFC FIRST Bank Limited<sup>#</sup></b>  <b>Registered office address:</b> KRM Tower, 7th Floor, No.1 Harrington Road, Chetpet, Chennai, Tamil Nadu, 600 031  <b>Corporate office address:</b> Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051; <b>Tel. No.:</b> +91 22 7132 5500  <b>Email:</b> <a href="mailto:tcil.openoffer@idfcbank.com">tcil.openoffer@idfcbank.com</a>  <b>Website:</b> <a href="http://www.idfcbank.com">www.idfcbank.com</a>  <b>Contact Person:</b> Mr. Venkatraghavan S.  <b>SEBI Registration No.:</b> MB/INM000012250</p>	 <p><b>Link Intime India Private Limited</b>  <b>Registered office address:</b> C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India  <b>Tel No.:</b> +91 022 49186200  <b>Email:</b> <a href="mailto:tfcil.openoffer@linkintime.co.in">tfcil.openoffer@linkintime.co.in</a>  <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>  <b>Contact Person:</b> Sumeet Deshpande  <b>SEBI Registration No.:</b> INR000004058</p>
<b>OFFER OPENS ON : FEBRUARY 5, 2019</b>	<b>OFFER CLOSSES ON : FEBRUARY 18, 2019</b>

<sup>#</sup>Formerly known as IDFC Bank Limited

The schedule of activities under the Open Offer is as follows:

No.	Activity	Original Schedule (Day and Date)	Revised Schedule (Day and Date)
1.	Issue of Public Announcement	Friday, May 18, 2018	Friday, May 18, 2018
2.	Publication of the DPS in the newspapers	Friday, May 25, 2018	Friday, May 25, 2018
3.	Filing of the draft letter of offer with SEBI	Friday, June 1, 2018	Friday, June 1, 2018
4.	Last date for public announcement for competing offer(s)	Friday, June 15, 2018	Friday, June 15, 2018
5.	Last date for receipt of SEBI observations on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager)	Friday, June 22, 2018	Thursday, October 11, 2018
6.	Receipt of RBI Approval	-	Friday, January 18, 2019 <sup>#</sup>
7.	Identified Date <sup>##</sup>	Tuesday, June 26, 2018	Tuesday, January 22, 2019
8.	Last date by which the letter of offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	Tuesday, July 3, 2018	Tuesday, January 29, 2019 <sup>###</sup>
9.	Last date of publication by which the committee of the independent directors of the Target Company shall give its recommendation to the Public Shareholders of the Target Company for this Open Offer	Thursday, July 5, 2018	Thursday, January 31, 2019
10.	Last date for upward revision of the Offer Price / Offer Size	Wednesday, July 4, 2018	Friday, February 1, 2019
11.	Date of publication of Open Offer opening public announcement in the newspapers in which the DPS has been published	Monday, July 9, 2018	Monday, February 4, 2019
12.	Date of commencement of the Tendering Period (“ <b>Offer Opening Date</b> ”)	Tuesday, July 10, 2018	Tuesday, February 5, 2019
13.	Date of closure of the Tendering Period (“ <b>Offer Closing Date</b> ”)	Monday, July 23, 2018	Monday, February 18, 2019
14.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	Monday, August 6, 2018	Wednesday, March 6, 2019
15.	Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	Monday, August 13, 2018	Wednesday, March 13, 2019

<sup>#</sup> Refers to the date on which the letter dated January 18, 2019 from the RBI was received by the Acquirer from the Target Company. Please refer the chapter VI section C (Statutory & other Approvals) for further details.

<sup>##</sup> The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer will be sent.

<sup>###</sup> The date has been calculated from January 18, 2019, being the date of receipt of RBI’s letter dated January 18, 2019 by the Acquirer from the Target Company, and based on the letter dated October 24, 2018 from SEBI where SEBI had granted extension for commencement of the Tendering Period not later than 12 working days of receipt of the approval from the RBI. Please refer to the chapter VI section C (Statutory & other Approvals) for further details.

## RISK FACTORS

### Risk factors relating to the Open Offer

- The Acquirer and the PACs may withdraw the Open Offer in accordance with the conditions specified in chapter VI section C (*Statutory & other Approvals*) in this Letter of Offer. In the event of a withdrawal of the Open Offer, the Acquirer and PACs (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared, stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations.
- In the event of any litigation leading to a stay on the Open Offer by a court of competent jurisdiction, or SEBI instructing that the Open Offer should not proceed, the Open Offer may be withdrawn or the Open Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, in the event of any delay, the payment of consideration to the Public Shareholders of the Target Company, whose Equity Shares are accepted under this Open Offer, as well as the return of Equity Shares not accepted under this Open Offer by the Acquirer may be delayed.
- The Equity Shares tendered in the Open Offer will be held in trust by the Registrar to the Open Offer / Clearing Corporation (as defined below) until the completion of the Open Offer formalities, and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares held in trust by the Registrar to the Open Offer / Clearing Corporation during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Open Offer.
- In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares, the Acquirer and PACs shall accept those Equity Shares which are validly tendered by the Public Shareholders on a proportionate basis as detailed in Chapter V Section A (*Justification of Offer Price*) paragraph 9 below. Therefore, there is no certainty that all the Equity Shares tendered in the Open Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Public Shareholders in accordance with the schedule of activities for the Open Offer.
- Further, Public Shareholders should note that, under the SEBI (SAST) Regulations, once Public Shareholders have tendered their Equity Shares in the Open Offer, they will not be able to withdraw their Equity Shares from the Open Offer even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the dispatch of consideration.
- All Public Shareholders, including non-residents holders of Equity Shares, must obtain all approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Open Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, 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 Offer Shares, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Offer Shares
- In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approval, and subject to such terms and conditions as specified by SEBI, including payment of interest in accordance with regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer and PACs pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Open Offer. In accordance with the SEBI Letter, the Acquirer and the PACs are liable to make an interest payment to the Public Shareholders who successfully tender their Equity Shares, to be computed at the rate of 10 (ten) per cent per annum on the Offer Price due to delay in payment as a result of the delayed receipt of the RBI Approval. This payment shall be made within the specified timeframe of 10 (ten) working days from the last date of the Tendering Period. Accordingly, the Acquirer and the PACs will make the interest payment at the rate of 10 (ten) per cent per annum on the Offer Price for the period from November 30, 2018 (Scheduled Payment Date) till March 6, 2019 (being the date of the actual date of payment of consideration under the Open Offer), to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. The interest computed at 10 (ten) per cent per annum on the Offer Price over such period is INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share. However, it is clarified that the Acquirer and the PACs shall make this payment of INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share after deducting TDS in accordance with the provisions of the ITA at the

applicable rates. Further, the interest payment will be paid separately to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.

- The Acquirer and the PACs and the Manager accept no responsibility for the statements made otherwise than in this Letter of Offer, the Detailed Public Statements (as defined below) and/or the Public Announcement (as defined below) and/or in the Offer Opening Public Announcement (as defined below) or in any corrigendum to the Detailed Public Statements and the Public Announcement (if issued) and anyone placing reliance on any other source of information (not released by the Acquirer, the PACs or the Manager) would be doing so at his, her or their own risk.
- Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Open Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PACs and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.

#### **Probable risks involved in associating with the Acquirer and the PACs and the Manager**

- Neither the Manager, the Acquirer nor the PACs make any assurance with respect to the continuation of past trends in the financial performance of the Target Company.
- Neither the Acquirer, the PACs nor the Manager can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Open Offer and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether or not to participate in the Open Offer.

**The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Open Offer or associating with the Acquirer and the PACs. The risk factors set forth above do not relate to the present or future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by any Public Shareholder in the Open Offer. Public Shareholders are advised to consult their stockbroker, investment consultant or tax advisor for an understanding of the further risks associated with their participation in the Open Offer.**

#### **Disclaimer for U.S. persons:**

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S under the US Securities Act of 1933, as amended, and who are not physically present in the USA. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the USA or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

#### **Disclaimer for persons in other foreign countries:**

This Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

#### **CURRENCY OF PRESENTATION**

In this Letter of Offer, all references to “**INR**” are references to the Indian Rupee(s) the official currency of India and all references to “**USD**” are to the United States Dollar, the lawful currency of the United States of America. All the data presented in USD in this Letter of Offer have been converted into INR for convenience purposes only. In this 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. All percentage figures have been rounded off to nearest two decimals.

## TABLE OF CONTENTS

<b>Sr. No.</b>	<b>Content</b>	<b>Page Number</b>
I.	DISCLAIMER CLAUSE	10
II.	DETAILS OF THE OPEN OFFER	10
III.	BACKGROUND OF THE ACQUIRER AND PACs	14
IV.	BACKGROUND OF THE TARGET COMPANY	23
V.	OFFER PRICE AND FINANCIAL ARRANGEMENTS	28
VI.	TERMS AND CONDITIONS OF THE OPEN OFFER	31
VII.	PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER	34
VIII.	DOCUMENTS FOR INSPECTION	49
IX.	DECLARATION BY THE ACQUIRER AND THE PACs	50

## DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Acquirer	Redkite Capital Private Limited
Amendment Agreement	Amendment Agreement dated January 23, 2019 executed between the Acquirer, PACs, the Escrow Bank and the Manager for amending the Escrow Agreement.
Bank Guarantee	Acquirer and PACs have furnished an unconditional, irrevocable, and on demand bank guarantee dated May 22, 2018 having bank guarantee number OGT0005180021127 of an amount of INR 67,50,00,000 (Indian Rupees Sixty Seven Crore and Fifty Lakhs only) issued by IndusInd Bank Limited (acting through its office at Dr. Gopal Das Bhawan 28, Barakhamba Road, New Delhi - 110001), in favour of the Manager
BSE	BSE Limited
CIN	Corporate Identity Number
Clearing Corporation	Clearing Corporation of Stock Exchanges
Depositories	Central Depository Services Limited and National Securities Depository Limited
Detailed Public Statement /DPS	The detailed public statement dated May 24, 2018 in connection with the Open Offer, published on behalf of the Acquirer and the PACs on May 25, 2018 in Business Standard (English and Hindi) and Navshakti (Marathi).
DP	Depository Participant
Draft Letter of Offer /DLOF	The Draft Letter of Offer dated June 1, 2018, filed with the SEBI pursuant to regulation 16(1) of the SEBI (SAST) Regulations
Equity Share(s)	Fully paid up equity shares of the Target Company of Face Value of INR 10 (Rupees Ten only) each
Equity Share Capital	The total equity share capital of the Target Company consisting of 8,07,16,748 equity shares.
Equity Shareholder(s)	All holders of Equity Shares, including beneficial owners of the Equity Shares
Escrow Account	The account with IndusInd Bank Limited established in accordance with regulation 17 of the SEBI (SAST) Regulations and the Escrow Agreement bearing the name “ <b>TFCIL Open Offer Escrow Account</b> ”
Escrow Agreement	Escrow agreement entered into by the Acquirer and the PACs with the Escrow Bank and the Manager for opening and operating the Escrow Account, as amended by the Amendment Agreement.
Escrow Amount	The amount deposited by the Acquirer and PACs in the Escrow Account, having lien marked with an irrevocable right to encash the proceeds in favour of the Manager, in compliance with Regulation 17 of the SEBI (SAST) Regulations.
Escrow Bank	IndusInd Bank Limited (acting through its office at Shop No 2/3, Atlanta Building, Ground Floor, Nariman Point, Mumbai - 400 021)
FEMA	Foreign Exchange Management Act, 1999 (as amended)
FII	Foreign Institutional Investors
First Amendment Agreement	The first amendment agreement dated September 26, 2018 to the Inter-se Agreement
FPI	Foreign Portfolio Investors
FY	Financial Year
Form of Acceptance	shall have the meaning ascribed to in the Form of Acceptance-cum-Acknowledgement
Identified Date	The date falling on the 10 <sup>th</sup> Working Day prior to the commencement of the Tendering Period
Inter-se Agreement	The Inter-se Agreement executed between the Acquirer and the PACs on May 18, 2018 and includes any amendments agreed by the parties thereto in writing.
Interest Payment Amount	INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share less TDS at the applicable rates as provided in the ITA.

Particulars	Details / Definition
	<p>In accordance with the SEBI Letter, the Acquirer and the PACs are liable to make an interest payment to the Public Shareholders who successfully tender their Equity Shares, to be computed at the rate of 10 (ten) per cent per annum on the Offer Price due to delay in payment as a result of delayed receipt of the RBI Approval. This payment shall be made within the specified timeframe of ten working days from the last date of the Tendering Period. Accordingly, the Acquirer and the PACs will make the interest payment at the rate of 10 (ten) per cent per annum on the Offer Price for the period from November 30, 2018 (Scheduled Payment Date) till March 6, 2019 (being the date of the actual date of payment of consideration under the Open Offer), to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. The interest amount computed at 10 (ten) per cent per annum on the Offer Price over such period is INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share. However, it is clarified that the Acquirer and the PACs shall make this payment of INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share after deducting TDS at the applicable rates in accordance with the provisions of the ITA. Further, this Interest Payment Amount will be paid separately to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.</p>
IT Act / ITA	Income Tax Act, 1961, as amended upto the Finance Act, 2018
Letter of Offer/LOF	This Letter of Offer dated January 23, 2019
LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Manager	IDFC FIRST Bank Limited (formerly known as IDFC Bank Limited)
NBFC	Non-Banking Financial Company
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies
Open Offer	<p>Open offer being made by the Acquirer along with the PACs to the Public Shareholders of the Target Company to acquire up to 20,986,355 (Two Crore Nine Lakh Eighty Six Thousand Three Hundred and Fifty Five) Equity Shares of Face Value of INR 10 (Rupees Ten only) each, representing 26.00% of the Equity Share Capital, at a price of INR 157.20 (Indian Rupees One Hundred Fifty Seven point Twenty Paise only) per Offer Share.</p> <p>In addition, as per the SEBI Letter, the Acquirer and the PACs shall separately pay the Interest Payment Amount (after deducting TDS at the applicable rates in accordance with the provisions of the ITA) to the Public Shareholders who successfully tender their Equity Shares in the Open Offer, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.</p>
Open Offer Consideration	<p>INR 3,299,055,006 (Indian Rupees Three Hundred Twenty Nine Crores Ninety Lakhs Fifty Five Thousand Six only) being the total consideration payable to the Public Shareholders by the Acquirer and the PACs pursuant to the Open Offer for acquisition of 20,986,355 Equity Shares at the Offer Price of INR 157.20 per Offer Share.</p> <p>In addition, as per the SEBI Letter, the Acquirer and the PACs shall separately pay the Interest Payment Amount (after deducting TDS at the applicable rates in accordance with the provisions of the ITA) to the Public Shareholders who successfully tender their Equity Shares in the Open Offer, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.</p>
Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer
Offer Price	INR 157.20 (Indian Rupees One Hundred Fifty Seven point Twenty Paise only) per Offer Share.



Particulars	Details / Definition
	In addition, as per the SEBI Letter, the Acquirer and the PACs shall separately pay the Interest Payment Amount (after deducting TDS at the applicable rates in accordance with the provisions of the ITA) to the Public Shareholders who successfully tender their Equity Shares in the Open Offer, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.
Offer Shares	20,986,355 (Two Crore Nine Lakh Eighty Six Thousand Three Hundred and Fifty Five only) Equity Shares, representing 26.00% of the Equity Share Capital
Offer Size	Offer Shares representing 26.00% (twenty six per cent) of the Voting Share Capital of the Target Company
PAC 1	India Opportunities III Pte. Limited
PAC 2	Mr. Koppara Sajeeve Thomas
PACs	PAC 1 and PAC 2 collectively
PAN	Permanent Account Number
Public Announcement / PA	The public announcement in connection with the Open Offer dated May 18, 2018 issued by the Manager on behalf of the Acquirer and the PACs and submitted to Stock Exchanges and SEBI on May 18, 2018
Public Shareholder(s)	All the equity shareholders of the Target Company excluding the Acquirer and the PACs, and the persons acting in concert or deemed to be acting in concert with Acquirer and the PACs.
RBI	Reserve Bank of India
RBI Approval	Letter bearing reference number DNBS. (ND)ND-SI/No.4043/05.20.066/2018-19 dated January 18, 2019 sent by the RBI to the Target Company, being the prior approval of the RBI pursuant to the provisions of the Reserve Bank of India Circular – RBI/2015-16/122 DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 9, 2015
Registrar to the Open Offer	Link Intime India Private Limited
Scheduled Payment Date	November 30, 2018, being the last date for payment of consideration under the Open Offer in accordance with timelines as stipulated in the SEBI (SAST) Regulations based on SEBI observation letter dated October 11, 2018, not taking into consideration the delay in commencement of the Tendering Period for the Open Offer on account of non-receipt of statutory approvals and the permission granted by SEBI vide its letter dated October 24, 2018 in this regard.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
SEBI Letter	the letter bearing reference no. SEBI/HO/CFD/DCR-2/OW/P/2018/29580/1 dated October 24, 2018 issued by SEBI to the Manager in relation to the Open Offer
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Statutory Auditor	Dass Gupta & Associates, Chartered Accountants, the statutory auditors of the Acquirer
Stock Exchanges	BSE and NSE
Target/ Target Company	Tourism Finance Corporation of India Limited
TDS	Tax deductible at source
Tendering Period	February 5, 2019 to February 18, 2019 both days inclusive

Particulars	Details / Definition
Underlying Transaction	Underlying transaction shall have the meaning ascribed to it in Chapter II Section A sub-section (3).
Voting Share Capital	The fully diluted voting share capital of the Target Company as of the 10th working day from the closure of the Tendering Period.
Working Day(s)	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

## I. DISCLAIMER CLAUSE

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE 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 SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S). THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF TOURISM FINANCE CORPORATION OF INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PACS OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND THE PACS 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 THE ACQUIRER AND THE PACS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, IDFC FIRST BANK LIMITED (FORMERLY KNOWN AS IDFC BANK LIMITED) HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 1, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”**

## II. DETAILS OF THE OPEN OFFER

### A. Background to the Open Offer

1. This Open Offer has been made by the Acquirer and the PACs to the Public Shareholders of the Target Company, pursuant to Regulations 3(1) and 4 of the SEBI (SAST) Regulations. The Offer Price will be paid in cash by the Acquirer and the PACs in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, the terms and conditions mentioned in the DPS and this Letter of Offer to be issued for the Open Offer in accordance with the SEBI (SAST) Regulations. Pursuant to Open Offer, the Acquirer shall be the promoter of the Target Company and have control over the Target Company. The PACs shall be part of the promoter group of the Target Company. The Acquirer and the PACs do not belong to the same group and are persons acting in concert only for the purpose of this Open Offer and should not be deemed to be ‘persons acting in concert’ for any other purpose or other transaction. The shareholding pattern of the promoter and promoter group of the Target Company under Regulation 31 of the LODR to be filed after the Open Offer shall contain a clarificatory note as follows:

*“Note: India Opportunities III Pte. Limited and Mr. Koppara Sajeeve Thomas are ‘persons acting in concert’ with Redkite Capital Private Limited. Redkite Capital Private Limited, India Opportunities III Pte. Limited and Mr. Koppara Sajeeve Thomas have entered into an inter se agreement dated May 18, 2018, as amended (“Inter-se Agreement”). Pursuant to the Inter-se Agreement, India Opportunities III Pte. Limited and Mr. Koppara Sajeeve Thomas do not have control rights and will not be exercising control over Tourism Finance Corporation of India Limited. Redkite Capital Private Limited will be exercising control over Tourism Finance Corporation of India Limited and shall be the promoter of Tourism Finance Corporation of India Limited. India Opportunities III Pte. Limited and Mr. Koppara Sajeeve Thomas shall be part of the promoter group of Tourism Finance Corporation of India Limited.”*

2. The Acquirer, PAC 1 and PAC 2 currently holds 1,07,09,446 (one crore seven lakh nine thousand four hundred and forty six), 32,28,000 (thirty two lakh and twenty eight thousand) and 20,50,000 (twenty lakh and fifty thousand) Equity Shares constituting 13.27% (thirteen point two seven per cent), 4.00% (four per cent) and 2.54% (two point five four per cent) of total fully paid up equity share capital of the Target Company, respectively.

This Open Offer is being made on account of the an Inter-se Agreement, wherein they have, *inter alia*, agreed to acquire up to 20,986,355 (two crore nine lakh eighty six thousand three hundred and fifty five) Equity Shares constituting 26% (twenty six per cent) of the Voting Share Capital of the Target Company under the Open Offer (the “**Underlying Transaction**”). The Acquirer and the PACs, have amended certain terms of the Inter-se Agreement through a first amendment agreement dated September 26, 2018 to the Inter-se Agreement (“**First Amendment Agreement**”). The First Amendment Agreement shall be read in conjunction with the Inter-se Agreement and all references to the Inter-se Agreement shall be deemed to be references to the Inter-se Agreement, as amended by the First Amendment Agreement.

### 3. **Underlying Transaction**

Some key features of the Inter-se Agreement are set out below:

#### **Roles and responsibilities of the parties in relation to the Open Offer:**

- (i) The parties have agreed that PAC 1 shall be entitled to acquire the Equity Shares representing 4.00% (four per cent) of the Voting Share Capital (“**PAC 1 Threshold Shares**”). After the acquisition of the PAC 1 Threshold Shares, PAC 2 shall be entitled to acquire the Equity Shares representing 2.46% (two point four six per cent) of the Voting Share Capital (“**PAC 2 Threshold Shares**”). After the acquisition of the PAC 1 Threshold Shares and the PAC 2 Threshold Shares, as aforesaid, the remaining Equity Shares tendered in the Open Offer shall be acquired by the Acquirer.
- (ii) All decisions (including all consents, waivers, exercise or non-exercise of rights) pertaining to all actions under the Agreement in relation to the Open Offer (and not in relation to the functioning of the Target Company) shall be taken by the Acquirer after good faith consultation with the PACs and after taking into account or giving due consideration to the PACs’ concerns in relation to the Open Offer.
- (iii) The parties have agreed that until the completion of all activities in relation to the Open Offer, including payment of consideration to all the Public Shareholders of the Target Company who have validly tendered their Equity Shares in the Open Offer, the parties shall consult, work together and cooperate in good faith on all matters relating to the completion of all actions contemplated under the Agreement in relation to the Open Offer.
- (iv) The parties have acknowledged that they may be considered to be “Persons acting in concert” for the purposes of the SEBI (SAST) Regulations and collectively shall be entitled to acquire only up to 5% (five per cent) additional voting rights in the manner computed under the SEBI (SAST) Regulations in a Financial Year (“**Creeping Acquisition Limit**”). The Creeping Acquisition Limit shall be allocated to (i) the Acquirer, together with “persons acting in concert” with it (other than PAC 1 and PAC 2), (ii) PAC 1, together with “persons acting in concert” with it (other than the Acquirer and PAC 2) and (iii) PAC 2, together with “persons acting in concert” with it (other than the Acquirer and PAC 1) in proportion to their respective post Open Offer shareholding in the Company. Once the shareholding of PAC 1 and PAC 2 reaches the shareholding limits prescribed under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 then the head room available for acquisition under the Creeping Acquisition Limit shall be for the Acquirer alone.

#### **Governance and Other Rights**

- (i) Without prejudice to the rights of the Acquirer and PACs under applicable law, the Acquirer shall be the promoter of the Target Company and have control over the Target Company. The PACs shall be part of the promoter group of the Target Company. The PACs shall have no role in the day-to-day activities, strategic decisions, business plan of the Target Company. The shareholding pattern of the promoter and promoter group of the Target Company under Regulation 31 of the LODR to be filed after the Open Offer shall contain a clarificatory note as follows:

*“Note: India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas are ‘persons acting in concert’ with Redkite Capital Private Limited. Redkite Capital Private Limited, India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas have entered into an inter se agreement dated May 18, 2018, as amended (“Inter-se Agreement”). Pursuant to the Inter-se Agreement, India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas do not have control rights and will not be exercising control over Tourism Finance Corporation of India Limited. Redkite Capital Private Limited will be exercising control over Tourism Finance Corporation of India Limited and shall be the promoter of Tourism Finance Corporation of India Limited. India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas shall be part of the promoter group of Tourism Finance Corporation of India Limited.”*

- (ii) The Acquirer, PAC 1 and PAC 2 shall be entitled to nominate 1 (one) non-executive director each on the board of the Target Company. The director nominated by the Acquirer shall also have a right to be appointed to the committees of the directors of the Target Company. However, the PACs shall not have a right to appoint nominees on the committees of the board of directors of the Target Company.
  - (iii) The Acquirer, PAC 1 and PAC 2 shall not be obligated to vote together or in concert at the meetings of the board of directors or at the meetings of the shareholders of the Target Company.
  - (iv) The Agreement may be terminated (i) if any party has breached any term or condition of the Agreement; or (ii) mutually by all parties; or (iii) at any time if the Open Offer is withdrawn in accordance with the applicable law; or (iv) prohibition of the transactions by any governmental authority; or (v) on liquidation, bankruptcy, insolvency etc. of the Acquirer or PAC 1; or (vi) rejection of the RBI Approval and consequential withdrawal of the Open Offer; or (vii) on insolvency or death with respect to PAC2.
  - (v) The Agreement is subject to the laws of India and all disputes are subject to arbitration by a sole arbitrator in accordance with the Arbitration Rules of the Mumbai Centre for International Arbitration, with the seat of arbitration being New Delhi.
4. The Acquirer along with the PACs proposes to extend support to continue and expand the existing business activities in same line through exercising effective management over the Target Company. However, the Acquirer along with the PACs does not have any definitive plan as on the date of this Letter of Offer.
5. Upon completion of the Open Offer, the Acquirer shall be the promoter of the Target Company and have control over the Target Company. The PACs shall be part of the promoter group of the Target Company. Consequently, the Acquirer and the PACs will appoint 1 (one) non-executive director each on the board of the Target Company in accordance with the Inter-se Agreement and applicable law. Please see Chapter II Section A sub-section 3 of this LOF for further details on the Inter-se Agreement.
6. The Acquirer and the PACs are not prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued pursuant to section 11B of the SEBI Act or under any other regulations made pursuant to the SEBI Act.
7. In accordance with regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company will constitute a committee of independent directors to provide their written reasoned recommendation on the Open Offer to the Public Shareholders. Such recommendations shall be published by the Target at least 2 (two) Working Days before the commencement of the Tendering Period in the same newspapers where the Detailed Public Statement was published, in compliance with Regulation 26(7) of the SEBI (SAST) Regulations. Simultaneously, a copy of such recommendations will be sent by the Target to SEBI, the Stock Exchanges and to the Manager.

**B. Details of the Open Offer**

- 1. The PA in connection with the Open Offer was made on May 18, 2018 to the Stock Exchanges and a copy thereof was also filed with SEBI on May 18, 2018.
- 2. In accordance with Regulation 14(3) of SEBI (SAST) Regulations, the Detailed Public Statement was published in the following newspapers on May 25, 2018:

Newspaper	Language	Editions
Business Standard	English	All Editions
Business Standard	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition

3. The Public Announcement and the Detailed Public Statement are also available on the website of SEBI at (<http://www.sebi.gov.in>)
4. This Open Offer is being made by the Acquirer along with the PACs to all the Public Shareholders of the Target Company to acquire up to 20,986,355 (Two Crore Nine Lakh Eighty Six Thousand Three Hundred and Fifty Five only) Equity Shares representing 26.00% (twenty six per cent) of the Voting Share Capital of the Target Company, at an offer price of INR 157.20 (Indian Rupees One Hundred Fifty Seven point Twenty Paise only) per Equity Share. The total consideration aggregates to INR 3,299,055,006 (Indian Rupees Three Hundred Twenty Nine Crores Ninety Lakhs Fifty Five Thousand Six only). The Offer Price will be payable in cash by the Acquirer along with PACs, in accordance with the provisions of regulation 9(1)(a) of the SEBI (SAST) Regulations. If the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the Offer Size, the Acquirer and the PACs shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager. In accordance with the SEBI Letter, the Acquirer and the PACs are liable to make an interest payment to the Public Shareholders who successfully tender their Equity Shares, to be computed at the rate of 10 (ten) per cent per annum on the Offer Price due to delay in payment as a result of delayed receipt of the RBI Approval. This payment shall be made within the specified timeframe of 10 (ten) working days from the last date of the Tendering Period. Accordingly, the Acquirer and the PACs will make the interest payment at the rate of 10 (ten) per cent per annum on the Offer Price for the period from November 30, 2018 (Scheduled Payment Date) till March 6, 2019 (being the date of the actual date of payment of consideration under the Open Offer), to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. The interest amount computed at 10 (ten) per cent per annum on the Offer Price over such period is INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share. However, it is clarified that the Acquirer and the PACs shall make this payment of INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share after deducting TDS at the applicable rates in accordance with the provisions of the ITA. Further, the interest payment will be paid separately to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.
5. As on the date of this Letter of Offer, there are no partly paid up equity shares, outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company which are convertible into Equity Shares of the Target Company. The equity share capital of the Target Company as on the 10<sup>th</sup> Working Day (as defined under the SEBI (SAST) Regulations) from the date of closure of the Tendering Period on a fully diluted basis (“**Voting Share Capital**”) will be same as that of the Equity Share Capital.
6. There is no differential pricing for this Open Offer.
7. To the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required to complete the acquisition of the Offer Shares. If, however, any statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would be subject to such statutory or other approval(s) being obtained. In terms of regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals which become applicable prior to completion of the Open Offer are not received, the Acquirer and the PACs shall have the right to withdraw the Open Offer. In the event of withdrawal of the Open Offer, the Acquirer and the PACs (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
8. The Open Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of regulation 19 of the SEBI (SAST) Regulations.
9. The Open Offer is not a competing offer and there is no competing offer as on the date of this LOF in terms of regulation 20 of the SEBI (SAST) Regulations.

10. The Acquirer and the PACs has not acquired any Equity Shares of the Target Company after the date of PA, i.e. May 18, 2018 and upto the date of this LOF.
11. The Equity Shares will be acquired by the Acquirer and the PACs as fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
12. The acquisition of the Offer Shares shall not result in the public shareholding in the Target Company falling below the minimum level required for continued listing under Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19A of the Securities Contract (Regulation) Rules, 1957.
13. The Manager does not hold any Equity Shares in the Target Company as on the date of this Letter of Offer. The Manager shall not deal, on their own account, in the Equity Shares of the Target Company during the offer period.

**C. Object of the Acquisition / Open Offer**

1. The Open Offer is being made to the Public Shareholders in accordance with regulations 3(1) and 4 of the SEBI (SAST) Regulations as a result of the intention of the Acquirer to acquire control over the Target Company in accordance with and subject to the terms of the Inter-se Agreement. The PACs shall be part of the promoter group of the Target Company. The shareholding pattern of the promoter and promoter group of the Target Company under Regulation 31 of the LODR to be filed after the Open Offer shall contain a clarificatory note as follows:

*“Note: India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas are ‘persons acting in concert’ with Redkite Capital Private Limited. Redkite Capital Private Limited, India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas have entered into an inter se agreement dated May 18, 2018, as amended (“Inter-se Agreement”). Pursuant to the Inter-se Agreement, India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas do not have control rights and will not be exercising control over Tourism Finance Corporation of India Limited. Redkite Capital Private Limited will be exercising control over Tourism Finance Corporation of India Limited and shall be the promoter of Tourism Finance Corporation of India Limited. India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas shall be part of the promoter group of Tourism Finance Corporation of India Limited.”*

2. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and the PACs have no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or of entities controlled by the Target Company during the period of 2 (two) years following the completion of the Open Offer except:
  - a) in the ordinary course of business; or
  - b) on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company; or
  - c) as has already been disclosed by the Target Company in the public domain.
3. Other than as set out in Chapter III Section C Sub-section 2 of this LOF, if the Acquirer and/or the PACs intend to alienate any material asset of the Target Company or its subsidiaries, within a period of 2 (two) years from completion of the Open Offer, the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of the SEBI (SAST) Regulations.
4. The Acquirer along with the PACs proposes to extend support to continue and expand the existing business activities in same line through exercising effective management over the Target Company. However, the Acquirer along with the PACs does not have any definitive plan as on the date of this Letter of Offer.

**III. BACKGROUND OF THE ACQUIRER AND PACs**

**A. Acquirer**

1. The Acquirer is a private limited company and was incorporated on June 29, 2010 as “Redkite Capital Private Limited” under the provisions of the Companies Act, 1956, having Corporate Identity Number U65921DL2010PTC204932. Its registered office is located at 4852/24, 1st Floor, Ansari Road, Dariya Ganj, Delhi – 110002, India. The name of the Acquirer has never been changed since the date of its incorporation.

2. The Acquirer is registered with RBI as a non-systemically important non-deposit accepting non-banking finance company (“NBFC”) with registration number N -14.00332.
3. The Acquirer is engaged in the business of investing in shares, stocks, debentures, bonds, lending and advancing of money and such other services and activities which are classified as NBFC services or activities.
4. The authorized share capital of the Acquirer is INR 2,00,00,000 (Indian Rupees Two Crores only) divided into 20,00,000 (Twenty Lakh) equity shares of INR 10 (Indian Rupees ten) each. Issued, subscribed and fully paid up capital of the Acquirer is INR 83,14,250 (Indian Rupees Eighty Three Lakh Fourteen Thousand Two Hundred and Fifty only) divided into 8,31,425 (Eight Lakh Thirty One Thousand Four Hundred and Twenty Five only) equity shares of INR 10 (Indian Rupees Ten only) each.
5. The equity shares of the Acquirer are not listed on any recognised stock exchange.
6. The Acquirer does not belong to any group.
7. The Acquirer holds 1,07,09,446 (one crore seven lakh nine thousand four hundred forty six) Equity Shares constituting 13.27% (thirteen point two seven per cent) of total equity share capital of the Target Company.
8. The directors and key employees of the Acquirer do not have any direct interest in the Target Company. There are no directors on the board of the Target Company representing the Acquirer.
9. The Acquirer has not acquired any Equity Shares after the date of the Public Announcement.
10. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
11. Save and except for the PACs, no other person is acting in concert with the Acquirer for the purpose of this Open Offer.
12. Acquirer is in compliance with the applicable provisions of chapter V of SEBI SAST Regulations.
13. All the Offer Shares will be acquired by the Acquirer and the PACs.
14. The Acquirer is not a wilful defaulter and hence, is in compliance with Regulations 6A of the SEBI (SAST) Regulations.
15. The Acquirer’s key financial information based on its audited standalone financial statements as of and for the financial years ended March 31, 2016, March 31, 2017 and March 31, 2018 audited by Dass Gupta & Associates, Chartered Accountants, the Statutory Auditors of the Acquirer (“Statutory Auditor”), is as below:

*(In INR)*

Particulars	Financial year ended March 31, 2016 (Audited) (Standalone)	Financial year ended March 31, 2017 (Audited) (Standalone)	Financial year ended March 31, 2018 (Audited) (Standalone)
<b>Profit and Loss Statement</b>			
Income from operations	103,194,322	103,647,084	72,354,445
other Income	3,793,074	164,959	1,268,108
<b>Total Income</b>	<b>106,987,396</b>	<b>103,812,043</b>	<b>73,622,553</b>
Total Expenses (Before Depreciation Interest and Tax)	4,889,940	2,406,665	3,326,186
Profit Before Depreciation Interest and Tax	102,097,456	101,405,378	70,296,367

<b>Particulars</b>	<b>Financial year ended March 31, 2016 (Audited) (Standalone)</b>	<b>Financial year ended March 31, 2017 (Audited) (Standalone)</b>	<b>Financial year ended March 31, 2018 (Audited) (Standalone)</b>
Depreciation	31,015	33,751	37,867
Interest	52,449,957	59,488,523	66,101,102
Profit Before Tax	49,616,484	41,883,104	4,157,399
Provision for Tax	16,723,833	13,868,392	1,322,075
Profit After Tax	32,892,651	28,014,712	2,835,323
<b>Balance Sheet</b>			
<b>Sources of Fund</b>			
Paid up Share Capital	8,314,250	8,314,250	8,314,250
Reserves and Surplus (excluding revaluation reserves)	180,662,285.00	208,676,997.00	211,512,321
<b>Networth (A)</b>	<b>188,976,535</b>	<b>216,991,247</b>	<b>219,826,571</b>
Secured Loans	492,000,000.00	19,930,641.00	1,495,214,222
Un-secured Loans	-	107,401,155.00	182,500,000
Other Non-current Liabilities (comprising of Deferred Tax Liability and excluding Long Term Borrowings)	72,566.00	91,952.00	86,365
Current Liabilities (comprising of Other Current Liabilities and Short Term Provisions and excluding short term borrowings)	8,570,066.00	983,039.00	34,364,189
<b>Total (B)</b>	<b>500,642,632.00</b>	<b>128,406,787.00</b>	<b>1,712,164,776</b>
<b>Total Source of Funds</b>	<b>689,619,167.00</b>	<b>345,398,034.00</b>	<b>1,931,991,347</b>
<b>Use of Funds</b>			
Net Fixed Assets (Tangible and Intangible Assets)	2,077,314.00	2,056,562.00	2,018,696
Long Term Loans and Advances	655,467,669.00	89,855,746.00	210,997,694
Investments (comprising of long term and current Investment)	-	4,620,186.00	1,618,244,024
Net Current Assets (Including Cash and Cash Equivalents and excluding current investments)	32,074,184.00	248,865,540.00	100,730,933



Particulars	Financial year ended March 31, 2016 (Audited) (Standalone)	Financial year ended March 31, 2017 (Audited) (Standalone)	Financial year ended March 31, 2018 (Audited) (Standalone)
Total miscellaneous expenditure not written off	-	-	-
<b>Total Use of Funds</b>	<b>689,619,167.00</b>	<b>345,398,034.00</b>	<b>1,931,991,347</b>
<b>Other Financial Data</b>			
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (Basic and Diluted)	39.56	33.69	3.41

Source: The standalone financial information for financial year ended March 31, 2016, March 31, 2017 and March 31, 2018 set forth above has been extracted from the Acquirer's audited standalone financial statements audited by the Statutory Auditor for the relevant period.

16. Major Contingent Liability of Acquirer:

Income tax demand has been received during the previous financial year from the Indian tax authorities for payment of additional tax of Rs. 21,421,450/-, upon completion of their tax review for the financial years 2011-12 (assessment year 2012-13). The Acquirer has further received a stay order dated October 16, 2015 according to which, 50% of the demand has been stayed and remaining is to be paid in 18 (eighteen) installments from October 2015 onwards. Also, as per the revised guidelines issued by the Central Board of Direct Taxes ("CBDT") by its press release dated March 30, 2016, where the outstanding demand is disputed before the Commissioner (Appeals), the assessing officer shall grant stay of demand till disposal of first appeal on payment of 15% of the disputed demand. Accordingly, till March 31, 2017, the Acquirer has paid an amount of INR 3,826,000 (Indian Rupees Thirty Eight Lakhs Twenty Six Thousand only) with the authorities. The Acquirer is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Acquirer's financial position and results of operations.

17. The shareholders of the Acquirer are Epitome Multitrade Private Limited, Aparajita Mercantile Private Limited, Monisha Financial Services Private Limited, Larissa Financial Advisory Services Private Limited and Om Prakash Khandelwal. Mr. Naresh Jain and Mrs. Namita Jain are persons in control/promoters of the Acquirer.

18. The shareholding pattern of the Acquirer as on date of this LOF is as follows:

Sr. No.	Shareholder Categories	Number of Shares	Percentage Holding (%)
1	Promoters*	414,500	49.85%
2	FII/Mutual -Funds/FIs/Banks	Nil	Nil
3	Public	416,925	50.15%
	<b>Total</b>	<b>831,425</b>	<b>100.00%</b>

\* Promoters of Acquirer holding 117,000 equity shares through Epitome Multitrade Private Limited and 297,500 equity shares through Aparajita Mercantile Private Limited.

19. The details of Board of Directors of the Acquirer as on date of this LOF is as follows:

Name of Director	DIN	Qualification and Experience	Date of Appointment
Naresh Tikamchand Jain	01558836	A member of the Institute of Chartered Accountants of India	August 1, 2011

Name of Director	DIN	Qualification and Experience	Date of Appointment
		since 1997 and is also a Law Graduate. He has an experience of 21 years in almost every facet of the accounting, auditing and consulting profession.	
Namita Naresh Jain	01864313	She is B. Com Graduate and has experience of 10 years in field of finance	March 31, 2015
Ashok Gupta	01267497	He is a Chartered Accountant and is a veteran in tax laws, commercial laws, company law, accounting and auditing standards.  He has an experience of 40 years in the fields of accounts and finance.	June 29, 2010
A R Gokulakrishnan	08041586	He is a BSc and CAIIB. He is an eminent banker who retired as Head of Wholesale Banking Operations (WBO) of Axis Bank. Has held various leadership positions in various divisions of Axis Bank during his tenure in the Bank. He has about 38 years of experience in banking and finance industry.	January 4, 2018

20. The Acquirer and PAC 2 had submitted and won a joint bid for acquiring the equity share of the Target Company from IFCI Limited. The Acquirer and the PACs have been disclosed as persons acting in concert since September 29, 2017. The Acquirer and the PACs currently hold 19.81% (Nineteen point eight one per cent) of the issued and outstanding equity share capital of the Target Company. The Acquirer and the PACs have entered into the Inter-se Agreement to acquire Equity Shares of the Target Company under the Open Offer and to manage the inter-se relationship between the Acquirer and the PACs in relation to the Open Offer and the Target Company.

**B. PAC 1**

- PAC 1 is a private limited company and was incorporated on July 30, 2014 as “India Opportunities III Pte. Limited” in the Republic of Singapore under the Singapore Companies Act (Cap 50), having Business Registration Number 201422203H. The registered office of the PAC 1 is located at 39 Robinson Road, #15-03 Robinson Point, Robinson Point, Singapore – 068911. The name of the PAC 1 has never been changed since the date of its incorporation.
- PAC 1 is registered as a Category II Foreign Portfolio Investor (“FPI”) with the SEBI with registration number INSGFP020015 since January 22, 2015.
- PAC 1 is currently engaged in the business of investing into the Asia Pacific region with one of the focus country being India through the purchase of, amongst other things, non-convertible debentures issued by Indian companies in accordance with the SEBI and the RBI guidelines governing such investments by the FPIs and subscription to security receipts issued by asset reconstruction companies.
- As on date of this LOF, the issued and paid-up share capital of the PAC 1 is USD 1,62,34,812 (United States Dollar sixteen million two hundred thirty-four thousand eight hundred and twelve) divided into 1,62,34,812 (sixteen million two hundred thirty-four thousand eight hundred and twelve) ordinary shares of USD 1 (United States Dollar one) each and USD 20,83,81,683 (United States Dollar two hundred and eight million three hundred and eighty-one thousand six hundred and eighty-three) divided into 20,83,81,683 (two hundred and eight million three hundred and eighty-one thousand six hundred and eighty-three) preference shares of USD 1 (United States Dollar one) each.
- The shares of PAC 1 are not listed on any recognised stock exchange.

6. As on date of this LOF, shareholders of PAC 1 are Aditva Limited, Baymount Global Limited and SSG Capital Partners III, L.P. PAC 1 is 99.99% ultimately owned by SSG Capital Partners III, L.P.
7. The shareholding pattern of PAC 1 as on date of this LOF is as follows:

Sr. No.	Shareholder Categories	Number of Shares	Percentage Holding (%)
1	Promoters/Person in control*	224,616,495	100.00%
2	FII/Mutual -Funds/FIs/Banks	-	-
3	Public	-	-
	<b>Total</b>	224,616,495	<b>100.00%</b>

\* PAC 1 shares are owned by Aditva Limited, Baymount Global Limited and SSG Capital Partners III, L.P. Their direct shareholdings are 9%, 23% and 68%, respectively. It is to be noted that Aditva Limited and Baymount Global Limited are 99.9% and 100% respectively, owned by SSG Capital Partners III, L.P.. Henceforth, PAC 1 is 99.99% ultimately owned by SSG Capital Partners III, L.P.

8. PAC 1 holds 32,28,000 (thirty two lakh twenty eight thousand) Equity Shares constituting 4.00% (four per cent) of total equity share capital of the Target Company.
9. The directors and key employees of PAC 1 do not have any direct interest in the Target Company. There are no directors representing PAC 1 on the board of the Target Company.
10. The details of Board of Directors of PAC 1 as on date of this LOF is as follows:

Name of Director	DIN	Qualification and Experience	Date of Appointment
Mr. Ranjan Lath	07177420	<p>He is a Chartered Accountant. His experience is as follows:</p> <p>a) <b>SSG Capital Management (Singapore) Pte. Ltd. (From 2013 till date):</b>Responsible for Operations, Finance, Risk management and Compliance for the Singapore operations</p> <p>b) <b>Fortis Healthcare International Pte. Limited, VP &amp; Global Head-Risk &amp; Internal Audit (2012 – 2013):</b> Setting up and running the Group Internal Audit and Risk function. Quarterly reporting to the Board</p> <p>c) <b>KPMG Hong Kong, Partner (2004 – 2012):</b> Managing a portfolio of over 40 clients (listed and non-listed) and responsible for assurance services</p> <p>d) <b>JP Morgan, Mumbai, Senior Researcher (2004 – 2004):</b> Provide support to APAC investment banking team in deal origination and research activities</p> <p>e) <b>KPMG Hong Kong, Audit Manager (2001 – 2003):</b> Support Audit Partner in statutory audits of a portfolio of listed and non-</p>	July 30, 2014

Name of Director	DIN	Qualification and Experience	Date of Appointment
		listed clients	
Mr. Dinesh Goel	03310460	<p>He holds Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad, India. His experience is as follows:</p> <p><b>a) SSG Capital Management (Singapore) Pte. Ltd. as Managing Director (2014 to present):</b> Advise and source origination of investment opportunities, undertake asset management</p> <p><b>b) SSG Capital Management (Hong Kong) Limited, Director (2009 – 2014):</b> Responsible for identifying, assessing and executing special situations investments in APAC region</p> <p><b>c) Nomura International (Hong Kong) limited (2008 – 2008):</b> Investment analysis of potential Special Situations opportunities</p> <p><b>d) Lehman Brothers Asia Holdings, Hong Kong (2005 – 2008):</b> Responsible for key risk positions, client interaction and P/L monitoring</p> <p><b>e) Lehman Brothers, Tokyo (2002 – 2005):</b> Analyse Asia ex-Japan based large corporates and provide views regarding their credit worthiness</p>	July 30, 2014

11. PAC 1 has not acquired any Equity Shares after the date of the Public Announcement till the date of this LOF.
12. PAC 1 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
13. Save and except for the PACs, no other person is acting in concert with the Acquirer for the purpose of this Open Offer.
14. PAC 1 is in compliance with the applicable provisions of Chapter V of SEBI (SAST) Regulations.
15. All the Offer Shares will be acquired by the Acquirer and the PACs.
16. PAC 1 is not a wilful defaulter and hence, is in compliance with Regulations 6A of the SEBI (SAST) Regulations.
17. PAC 1's key financial information based on its audited standalone financial statements as of and for the financial years ended December 31, 2015 audited by CA Trust PAC and December 31, 2016 and December 31, 2017 audited by PricewaterhouseCoopers LLP, is as below:

Particulars	Financial year ended December 31, 2015 (Audited) (Standalone)		Financial year ended December 31, 2016 (Audited) (Standalone)		Financial year ended December 31, 2017 (Audited) (Standalone)	
	In USD	In INR	In USD	In INR	In USD	In INR
<b>Profit and Loss Statement</b>						
Income from operations	5,064,195	335,887,797.57	23,859,657	1,621,375,833.54	27,232,708	1,740,913,494.13
other Income	257,441	17,075,031.77	1,895,596	128,814,657.50	1,480,394	94,637,591.36
<b>Total Income</b>	<b>5,321,636</b>	<b>352,962,829.34</b>	<b>25,755,253</b>	<b>1,750,190,491.04</b>	<b>28,713,102</b>	<b>1,835,551,085.48</b>
Total Expenses	(302,181)	(20,042,457.01)	(1,969,205)	(133,816,735.01)	(1,579,212)	(100,954,759.29)
Profit Before Depreciation Interest and Tax	5,019,455	332,920,372.33	23,786,048	1,616,373,756.03	27,133,890	1,734,596,326.20
Depreciation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Profit Before Tax	5,019,455	332,920,372.33	23,786,048	1,616,373,756.03	27,133,890	1,734,596,326.20
Provision for Tax	(1,062,785)	(70,490,277.91)	(2,904,363)	(197,365,116.36)	(6,159,766)	(393,777,209.01)
Profit After Tax	3,956,670	262,430,094.42	20,881,685	1,419,008,639.67	20,974,124	1,340,819,117.19
<b>Balance Sheet</b>						
<b>Sources of Fund</b>						
Paid up Share Capital	82,650,366	5,481,868,175.32	114,697,514	7,794,235,154.62	145,308,088	9,289,153,734.00
Reserves and Surplus (excluding revaluation reserves)	2,854,561	189,331,612.89	49,200	3,343,371.24	16,925,715	1,082,015,260.52
<b>Networth* (A)</b>	<b>85,504,927</b>	<b>5,671,199,788.20</b>	<b>114,746,714</b>	<b>7,797,578,525.86</b>	<b>162,233,803</b>	<b>10,371,168,994.52</b>
Secured Loans	-	-	-	-	-	-
Un-secured Loans	32,670,541	2,166,906,302.37	44,053,852	2,993,666,296.50	46,139,446	2,949,570,206.28
<b>Total loan funds (B)</b>	<b>32,670,541</b>	<b>2,166,906,302.37</b>	<b>44,053,852</b>	<b>2,993,666,296.50</b>	<b>46,139,446</b>	<b>2,949,570,206.28</b>
<b>Total Source of Funds</b>	<b>118,175,468</b>	<b>7,838,106,091</b>	<b>158,800,566</b>	<b>10,791,244,822</b>	<b>208,373,249</b>	<b>13,320,739,201</b>

Particulars	Financial year ended December 31, 2015 (Audited) (Standalone)		Financial year ended December 31, 2016 (Audited) (Standalone)		Financial year ended December 31, 2017 (Audited) (Standalone)	
	In USD	In INR	In USD	In INR	In USD	In INR
(A+B)						
<b>Use of Funds</b>						
Net Fixed Assets	-	-	-	-	-	-
Investments	118,906,299	7,886,579,187.47	150,339,577	10,216,280,853.16	211,875,883	13,544,653,135.31
Net Current Assets	(730,831)	(48,473,096.91)	8,460,989	574,963,969.20	(3,502,634)	(223,913,934.51)
Total miscellaneous expenditure not written off	-	-	-	-	-	-
<b>Total use of Funds</b>	<b>118,175,468</b>	<b>7,838,106,090.57</b>	<b>158,800,566</b>	<b>10,791,244,822.36</b>	<b>208,373,249</b>	<b>13,320,739,200.80</b>
<b>Other Financial Data</b>						
Dividend (%)	1.3%	-	20.7%	-	2.8%	-
Earning Per Share	0.05	3.18	0.18	12.37	0.14	9.23
RBI Rate as on financial year ending**	66.3260		67.9547		63.9273	

Source: The standalone financial information set forth above has been extracted from the PAC 1's audited standalone financial statements audited by CA Trust PAC for financial year ended December 31, 2015 and by PricewaterhouseCoopers LLP for financial year ended December 31, 2016 and financial year ended December 31, 2017.

\* Net worth/Shareholders Funds = Equity share capital + Retained earning

\*\* Source: www.rbi.org.in. Rates are as of last working day of the relevant calendar year

18. There are no major contingent liability against PAC 1.
  19. PAC 1 had acquired Equity Shares of the Target Company on September 29, 2017. The Acquirer and PAC 1 have been disclosed as persons acting in concert since September 29, 2017. The Acquirer and the PACs have entered into the Inter-se Agreement to acquire Equity Shares of the Target Company under the Open Offer and to manage the inter-se relationship between the Acquirer and the PACs in relation to the Open Offer and the Target Company.
- C. PAC 2**
1. PAC 2 is a resident of Singapore currently residing at 23 Stevens DR, 04-01 Parc Stevens, Singapore – 257914. PAC 2 holds degree in Masters in Business Administration from Indian Institute of Management, Ahmedabad and have experience in field of banking and finance.
  2. As on date of this LOF, PAC 2 holds 20,50,000 (twenty lakh fifty thousand) Equity Shares constituting 2.54% (two point five four per cent) of total equity share capital of the Target Company.
  3. PAC 2 is not part of any group.

4. The Net worth of PAC 2 is INR 1,376 Million (Indian Rupees one thousand three hundred and seventy six million only) as certified vide certificate dated February 5, 2018 by N.H. Shah & Associates, Chartered Accountants (Firm Registration No. 131570W), having office at Mumbai.
5. As on date of this LOF, PAC 2 does not have any direct interest in the Target Company except for as mentioned in Chapter III Section C sub-section 2 of this Letter of Offer above.
6. PAC 2 has not acquired any Equity Shares after the date of the Public Announcement.
7. PAC 2 has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
8. Save and except for the PACs, no other person is acting in concert with the Acquirer for the purpose of this Open Offer.
9. All the Offer Shares will be acquired by the Acquirer and the PACs.
10. PAC 2 is not a whole time director on the board of directors of any company.
11. The PAC 2 is not a director on the board of directors of any listed company.
12. PAC 2 is in compliance with the applicable provisions of Chapter V of SEBI (SAST) Regulations.
13. PAC 2 is neither a wilful defaulter nor a fugitive economic offender and hence, is in compliance with regulations 6A and 6B of the SEBI (SAST) Regulations.
14. The Acquirer and PAC 2 had submitted and won a joint bid for acquiring the Equity Shares of the Target Company from IFCI Limited. The Acquirer and PAC 2 have been disclosed as persons acting in concert since September 29, 2017. The Acquirer and the PACs have entered into the Agreement to acquire Equity Shares of the Target Company under the Open Offer and to manage the inter-se relationship between the Acquirer and the PACs in relation to the Open Offer and the Target Company.

#### **IV. BACKGROUND OF THE TARGET COMPANY**

1. The Target Company was incorporated on January 27, 1989 as Tourism Finance Corporation of India Limited under the provisions of the Companies Act, 1956, as amended. There has been no change in the name of the Target Company in the last three years.
2. The Corporate Identity Number of the Target Company is L65910DL1989PLC034812.
3. The registered office of the Target Company is located at 4th Floor, Tower-1, NBCC Plaza, Pushp Vihar, Sector - 5, Saket, New Delhi, 110017.
4. The Target Company provides financial assistance to enterprises for setting up and development of tourism related activities, facilities and services. It also provides financial assistance for infrastructure development work or facility which may include roads, highways, railways, airways, port, transport systems, bridges, telecommunication, health, education, and food and agriculture infrastructure amongst others.
5. The Target Company has been notified as a Public Financial Institution under section 4A of the Companies Act, 1956, vide Notification No S.O 7(E) dated the January 3, 1990 issued by the Ministry of Industry, Department of Company Affairs. The Target Company is also registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a systemically important non-deposit accepting non-banking finance company with registration number B.14.00005 dated May 8, 2009.
6. The Equity Shares of the Target Company are currently listed on the BSE (Scrip/Security Code: 526650) and the NSE (Symbol: TFCILTD). The ISIN of Equity Shares is INE305A01015.
7. The Equity Shares are frequently traded on both the Stock Exchanges within the meaning of the explanation provided to Regulation 2(1) (j) of the SEBI (SAST) Regulations.
8. The total authorized share capital of the Target Company is INR 5,00,00,00,000 (Indian Rupees Five Hundred Crores) consisting of 25,00,00,000 (twenty five crores) Equity Shares of INR 10/- each and 25,00,00,000 (twenty five crores) Cumulative Redeemable Preference Shares of INR 10/- each. As on the date of this Letter of Offer, the total equity share capital of the Target Company (“**Equity Share Capital**”) is as follows:

<b>Paid up Equity Shares of the Target Company</b>	<b>No. of Equity Shares/voting rights</b>	<b>% of Equity Shares/voting rights</b>
Fully paid up Equity Shares	8,07,16,748	100%
Partly paid up Equity Shares	Nil	Nil
Total paid up Equity Shares	8,07,16,748	100%
Total voting rights in Target Company	8,07,16,748	100%

9. Trading of the Equity Shares of the Target Company is not currently suspended on any of the Stock Exchanges. There are no shares of the Target Company that are not listed on BSE and NSE.
10. As on the date of this Letter of Offer there are no partly paid up Equity Shares in the share capital of the Target Company and there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company. The Target Company does not have any locked-in shares.
11. As per publicly available information, the details of the board of directors of the Target Company as of the date of this Letter of Offer is provided below:

<b>Sl. No.</b>	<b>Name of the director</b>	<b>Designation</b>	<b>DIN</b>	<b>Date of appointment</b>
1.	Sridhar Srinivasan	Independent Director	0000004272	May 27, 2014
2.	Sethurathnam Ravi	Independent Director	0000009790	November 06, 2013
3.	Subrahmoneyan Chandra Sekhar	Independent Director	0000024780	March 18, 2015
4.	Kokku Bhaskara Nagendra Murthy	Independent Director	0000359864	January 22, 2016
5.	Suman Billa	Nominee Director	0000368821	March 15, 2016
6.	Munshi Bapi	Independent Director	0002470242	February 01, 2018
7.	Niraj Agarwal	Director	0006483526	June 17, 2013
8.	Rudhra Gangadharan	Independent Director	0007863333	June 30, 2017
9.	Thankom T. Mathew	Additional Director	00025326	October 24, 2018

*Note: A board resolution has been passed by the Target Company to appoint Mr. Brij Mohan Gupta, Executive Director as an Additional Director and Whole-Time Director of the Target Company subject to prior approval by the RBI and his tenure as a Director/ Whole-Time Director and will commence from the date on which the RBI approves his appointment.*

12. There has been no merger/de-merger, spin off during last three years involving the Target Company
13. Brief audited standalone financials of the Target Company as of and for the financial years ended March 31, 2016, March 31, 2017 and March 31, 2018 and un-audited financials for 6 months ended September 30, 2018 (limited reviewed and filed with the Stock Exchanges), are provided below:

*(Rs. In Lacs)*

<b>Particulars</b>	<b>Financial year ended March 31, 2016 (Audited) (Standalone)</b>	<b>Financial year ended March 31, 2017 (Audited) (Standalone)</b>	<b>Financial year ended March 31, 2018 (Audited) (Standalone)</b>	<b>Six months ended September 30, 2018 (Un-audited) (Standalone)#</b>
<b>Profit and Loss Statement</b>				



<b>Particulars</b>	<b>Financial year ended March 31, 2016 (Audited) (Standalone)</b>	<b>Financial year ended March 31, 2017 (Audited) (Standalone)</b>	<b>Financial year ended March 31, 2018 (Audited) (Standalone)</b>	<b>Six months ended September 30, 2018 (Un-audited) (Standalone)#</b>
Income from operations	18422.03	20771.48	22,676.36	10,892.83
other Income	142.52	82.67	40.57	33.19
<b>Total Income</b>	<b>18,564.55</b>	<b>20,854.15</b>	<b>22,716.92</b>	<b>10,926.02</b>
Total Expenses (Before Depreciation Interest and Tax)	1910.76	4,345.26	2,119.13	733.80
Profit Before Depreciation Interest and Tax	16653.79	16508.89	20,597.79	10,192.22
Depreciation	73.15	61.59	69.33	18.44
Interest	9,012.73	9080.95	9,644.18	5,204.98
Exceptional items	-	2,335.60	-	-
Profit Before Tax	7,567.91	9,701.95	10,884.28	4,968.80
Provision for Tax	2206.52	2659.09	3,353.53	1,350.00
Profit After Tax	5,361.39	7,042.85	7,530.75	3,618.80
<b>Balance Sheet</b>				
<b>Sources of Fund</b>				
Paid up Share Capital	8071.67	8071.67	8,071.67	8,071.67
Reserves and Surplus (excluding revaluation reserves)	43333.80	47352.84	54,473.59	61,421.69 <sup>(1)</sup>
<b>Networth (A)</b>	<b>51,405.48</b>	<b>55,424.52</b>	<b>62,545.27</b>	<b>69,493.36</b>
Secured Loans	21499.91	26846.49	40,476.49	92,134.07 <sup>(2)</sup>
Un-secured Loans	78150.00	78150.00	85,650.00	
Other Non-current Liabilities (comprising of Deferred Tax Liability (net), Other Long Term Liabilities and Long Term Provisions and excluding Long Term Borrowings)	3501.33	3622.37	4,125.03	20,004.42 <sup>(3)</sup>

<b>Particulars</b>	<b>Financial year ended March 31, 2016 (Audited) (Standalone)</b>	<b>Financial year ended March 31, 2017 (Audited) (Standalone)</b>	<b>Financial year ended March 31, 2018 (Audited) (Standalone)</b>	<b>Six months ended September 30, 2018 (Un-audited) (Standalone)#</b>
Current Liabilities (comprising of Other Current Liabilities and Short Term Provisions and excluding short term borrowings)	4463.37	5986.44	7,947.26	
<b>Total (B)</b>	<b>107614.62</b>	<b>114605.30</b>	<b>138,198.77</b>	<b>112,138.49</b>
<b>Total Sources of Funds (A+B)</b>	<b>159,020.09</b>	<b>170,029.82</b>	<b>200,744.04</b>	<b>181,631.85</b>
<b>Use of Funds</b>				
Net Fixed Assets	2912.65	2040.14	1,993.38	1,453.51 <sup>(4)</sup>
Long Term Loans and Advances	114477.60	124172.75	139,117.04	125,929.49 <sup>(5)</sup>
Investments (current Investments+ Non-Current Investments)	25453.41	24764.94	41,421.17	28,048.88 <sup>(6)</sup>
Net Current Assets (total current assets - current Investments)	16176.44	19052.00	18,212.45	22,625.54 <sup>(7)</sup>
Other Assets (other financial assets, current tax assets (net), deferred tax assets (net), assets classified as held for sale)	-	-	-	3,574.43
Total miscellaneous expenditure not written off	-	-	-	-
<b>Total use of Funds</b>	<b>159,020.09</b>	<b>170,029.82</b>	<b>200,744.04</b>	<b>181,631.85</b>
<b>Other Financial Data</b>				
Dividend (% per equity shares)	18.00%	20.00%	20.00%	-
Earning Per Share (Basic and Diluted)	6.64	8.73	9.33	-

# Based on un-audited financial results as per IND-AS, subjected to limited review and filed with the stock exchanges

(1) Other Equity

(2) Aggregate of Debt securities, subordinate debt securities, borrowings (other than debt securities)

(3) Aggregate of payables, other financial liabilities, provisions and other financial liabilities

(4) Property, plant and equipment

(5) Non-current financial assets – Loans and advances

(6) Aggregate of non-current investments, investments in security receipts and current investments

<sup>(7)</sup> Current financial assets less current investments

14. Contingent Liabilities as on March 31, 2018 are Rs. 8,91,53,183/- being Income Tax in dispute and appeal is pending before Commissioner of Income Tax (Appeals)/Income Tax Appellate Tribunal. In similar matters in previous years decision of appellate authority is in favour of the Target Company.
15. The above data about the Target Company is obtained from publicly available information.
16. Shareholding pattern of the Target Company as on pre (i.e. as on December 31, 2018) and post Open Offer is provided below:

Shareholders' category	Shareholding & voting rights prior to the agreement/acquisition and the Open 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 acceptances and as set out in Part II (Background to the Open Offer) of this LOF)		Shareholding / voting rights after the acquisition and the Open Offer.	
	(A)*		(B)		(C)		(A)+ (B) + (C)	
	Number	%	Number	%	Number	%	Number	%
(1) Promoter and Promoter Group	65,23,265	8.08	Nil	Not Applicable	Nil	Not Applicable	65,23,265 <sup>#</sup>	8.08
(2) Acquirer along with the PACs*								
a) Acquirer	107,09,446	13.27	2,09,86,355	26.00	1,57,72,052	19.54	2,64,81,498	32.81
b) PAC 1	32,28,000	4.00			32,28,670	4.00	64,56,670	8.00
c) PAC 2	20,50,000	2.54			19,85,633	2.46	40,35,633	5.00
Total (a+b+c)	159,87,446	19.81	2,09,86,355	26.00	2,09,86,355	26.00	3,69,73,801	45.81
(3) Public (other than Acquirer and the PAC)								
a) FIs/MFs/ FPIs/Banks/SFIs / Central Government/ State Government(s)/ President of India	79,90,845	9.90	(2,09,86,355)	(26.00)	(2,09,86,355)	(26.00)	3,72,19,682	46.11
b) Others	502,15,192	62.21						
Total (a+b)	5,82,06,037	72.11	(2,09,86,355)	(26.00)	(2,09,86,355)	(26.00)	3,72,19,682	46.11
<b>Grand Total</b>	<b>8,07,16,748</b>	<b>100.00</b>	<b>Nil</b>	<b>Not Applicable</b>	<b>Nil</b>	<b>Not Applicable</b>	<b>8,07,16,748</b>	<b>100.00</b>

\* Note: India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas are 'persons acting in concert' with Redkite Capital Private Limited. Redkite Capital Private Limited, India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas have entered into an inter se agreement dated May 18, 2018, as amended ("**Inter-se Agreement**"). Pursuant to the Inter-se Agreement, India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas do not have control rights and will not be exercising control over Tourism Finance Corporation of India Limited. Redkite Capital Private Limited will be exercising control over Tourism Finance Corporation of India Limited and shall be the promoter of the Target Company. India Opportunities III Pte. Limited and Mr. Koppara Sajeve Thomas shall be part of the promoter group of Tourism Finance Corporation of India Limited.

*#Assuming current promoter and member of promoter group do not participate in Open Offer. In case the current promoters and member of promoter group tender any Equity shares, their post Open Offer shareholding will undergo a change.*

17. The Acquirer and the PACs have not acquired any Equity Shares after date of PA till the date of this Letter of Offer.
18. The acquisition of the Offer Shares shall not result in the public shareholding in the Target Company falling below the minimum level required for continued listing under Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19A of the Securities Contract (Regulation) Rules, 1957.

## V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A. Justification of Offer Price

1. The Open Offer is being made to the Public Shareholders in accordance with regulations 3(1) and 4 of the SEBI (SAST) Regulations as a result of the intention of the Acquirer to acquire control over the Target Company in accordance with and subject to the terms of the Inter-se Agreement. Pursuant to the Open Offer, the Acquirer and the PACs may collectively hold 25% or more of the Voting Share Capital. The PACs shall be part of the promoter group of the Target Company. The shareholding pattern of the promoter and promoter group of the Target Company under Regulation 31 of the LODR to be filed after the Open Offer shall contain a clarificatory note as follows:

*“Note: India Opportunities III Pte. Limited and Mr. Koppara Sajeeve Thomas are ‘persons acting in concert’ with Redkite Capital Private Limited. Redkite Capital Private Limited, India Opportunities III Pte. Limited and Mr. Koppara Sajeeve Thomas have entered into an inter se agreement dated May 18, 2018, as amended (“Inter-se Agreement”). Pursuant to the Inter-se Agreement, India Opportunities III Pte. Limited and Mr. Koppara Sajeeve Thomas do not have control rights and will not be exercising control over Tourism Finance Corporation of India Limited. Redkite Capital Private Limited will be exercising control over Tourism Finance Corporation of India Limited and shall be the promoter of Tourism Finance Corporation of India Limited. India Opportunities III Pte. Limited and Mr. Koppara Sajeeve Thomas shall be part of the promoter group of Tourism Finance Corporation of India Limited.”*

2. The Equity Shares are listed on the NSE and the BSE.
3. The trading turnover in the Equity Shares based on the trading volumes during the 12 (twelve) calendar months prior to the calendar month of the PA on the BSE and NSE is as given below:

Stock exchange	Total traded volumes during the 12 calendar months preceding the calendar month of the PA (“A”)	Weighted average number of Equity Shares during the 12 calendar months preceding date of the PA (“B”)	Trading turnover % (A/B)
NSE	28,49,29,177	8,07,16,748	353.00%
BSE	6,11,58,025	8,07,16,748	75.77%

4. Based on the above, the Equity Shares are frequently traded on the Stock Exchanges in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations.
5. The Offer Price of INR 157.20 (Indian Rupees One Hundred Fifty Seven and Twenty Paise only) per Equity Share is justified in terms of regulation 8(2) of the SEBI (SAST) Regulations, being higher than the highest of the following parameters:

SL. No.	Details	Price (in INR per Equity Share)
A	The highest negotiated price per Equity Share of the Target Company for acquisition under the agreement attracting the obligation of the Open Offer i.e. the price per share under the agreement	Not Applicable

B	The volume weighted average price paid or payable per Equity Share for acquisitions by the Acquirer or any of the PACs during the fifty two weeks immediately preceding the date of the Public Announcement	150.00
C	The highest price per Equity Share paid or payable for any acquisition by the Acquirer or any of the PACs during the twenty six weeks immediately preceding the date of the Public Announcement	150.00
D	The volume weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the Public Announcement as traded on NSE	157.18
E	Where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies;	Not Applicable

*Source: CA Certificate issued by Meghal Jain & Associates, Chartered Accountants (FRN: 133824W) dated May 18, 2018.*

6. In accordance with the SEBI Letter, the Acquirer and the PACs are liable to make an interest payment to the Public Shareholders who successfully tender their Equity Shares, to be computed at the rate of 10 (ten) per cent per annum on the Offer Price due to delay in payment as a result of delayed receipt of the RBI Approval. This payment shall be made within the specified timeframe of 10 (ten) working days from the last date of the Tendering Period. Accordingly, the Acquirer and the PACs will make the interest payment at the rate of 10 (ten) per cent per annum on the Offer Price for the period from November 30, 2018 (Scheduled Payment Date) till March 6, 2019 (being the date of the actual date of payment of consideration under the Open Offer), to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. The interest amount computed at 10 (ten) per cent per annum on the Offer Price over such period is INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share. However, it is clarified that the Acquirer and the PACs shall make this payment of INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share after deducting TDS at the applicable rates in accordance with the provisions of the ITA. Further, the Interest Payment Amount will be paid separately to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.
7. 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. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split etc. where the record date for effecting such corporate actions falls within 3(three) Working Days prior to the commencement of Tendering Period of the Open Offer.
8. As on date of this LOF, there is no revision in Offer Price or Offer Size.
9. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs at any time prior to 1 (one) Working Day (as defined in the SEBI (SAST) Regulations) before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs are required to (i) make corresponding increases to the amount kept in the escrow account, as set out in Chapter V Section 2 (*Financial Arrangements*) Sub-section 2 of this Letter of Offer; (ii) make a public announcement in the newspapers where the Detailed Public Statement was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision in terms of Regulation 18(5) of the SEBI (SAST) Regulations.
10. If the Acquirer or the PACs acquire Equity Shares of the Target Company during the period of 26 (twenty-six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer and the PACs shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose shares have been accepted in the Open Offer within 60 (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 Regulations, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

11. In the event that the number of Equity Shares (including demat shares and physical shares) validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares, the Acquirer and the PACs 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.

## **B. Financial Arrangements**

1. The funding requirement for the Open Offer, assuming full acceptance, i.e. for the acquisition of up to 20,986,355 (Two Crore Nine Lakh Eighty Six Thousand Three Hundred and Fifty Five) Equity Shares, at the Offer Price of INR 157.20 (Indian Rupees One Hundred Fifty Seven and Twenty Paise only) per Equity Share is INR 3,299,055,006 (Indian Rupees Three Hundred Twenty Nine Crores Ninety Lakhs Fifty Five Thousand Six only) (“**Open Offer Consideration**”). In addition to the Open Offer Consideration, in accordance with the SEBI Letter, there will be an interest payment to be paid to the Public Shareholders who successfully tender their Equity Shares, to be computed at the rate of 10 (ten) per cent per annum on the Offer Price from November 30, 2018 (Scheduled Payment Date) till March 6, 2019 (being the date of the actual date of payment of consideration under the Open Offer), being an amount of INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share. The Acquirer and the PACs will deduct TDS before making such interest payments, at the applicable rates in accordance with the provisions of the ITA. For the purpose of clarification, it may be noted that the aforesaid interest will be payable to all the successful Public Shareholders, whose Equity Shares are validly tendered and accepted in the Open Offer. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.
2. The Acquirer and the PACs have adequate resources to meet the financial requirements of this Open Offer and by way of security for performance of its obligations under the SEBI (SAST) Regulations, the Acquirer and the PACs have created an escrow account named “**TFCIL Open Offer Escrow Account**” (“**Escrow Account**”) with IndusInd Bank Limited (acting through its office at Shop No 2/3, Atlanta Building, Ground Floor, Nariman Point, Mumbai – 400 021) (the “**Escrow Bank**”). Prior to the DLOF, PAC 2 had deposited a sum of INR 15,00,00,000 (Indian Rupees fifteen crore) in the Escrow Account and the Acquirer had furnished an unconditional, irrevocable, and on demand bank guarantee dated May 22, 2018 having bank guarantee number OGT0005180021127 of an amount of INR 67,50,00,000 (Indian Rupees Sixty Seven Crores and Fifty Lakhs only) issued by IndusInd Bank Limited (acting through its office at Dr. Gopal Das Bhawan 28, Barakhamba Road, New Delhi - 110 001), in favour of the Manager (“**Bank Guarantee**”) which is valid upto February 21, 2019. The Acquirer and the PACs have replaced the Bank Guarantee with cash by depositing an amount of INR 69,67,00,000 (Indian Rupees Sixty Nine Crores Sixty Seven Lakhs only) in the Escrow Account. The total amount deposited by the Acquirer and PACs in the Escrow Account aggregates to INR 84,67,00,000 (Indian Rupees Eighty Four Crores Sixty Seven Lakhs only).
3. The aggregate amount of INR 84,67,00,000 (Indian Rupees Eighty Four Crores Sixty Seven Lakhs only) deposited in Escrow Account is in excess of 25% of the Open Offer Consideration and the Interest Payment Amount, as required under Regulation 17(1) of the SEBI (SAST) Regulations. The cash amount deposited in the Escrow Account may be maintained in a form of a fixed deposit with the Escrow Bank in accordance with the SEBI (SAST) Regulations. Where such a fixed deposit is created, there will be a lien marked in favour of the Manager to this Open Offer and the Manager shall ensure that the fixed deposit is liquidated or encashed to have cash available any time needed to pay the shareholders in accordance with the SEBI (SAST) Regulations.
4. The Acquirer has entered into a debenture subscription agreement dated May 11, 2018 and debenture trust deed dated May 11, 2018 offering debentures of an amount up to INR 250,00,00,000 (Indian Rupees Two Hundred Fifty Crores only). The monies to be received in relation to subscription of debentures shall be utilised exclusively for acquiring not more than 1,37,00,000 (One Crore Thirty Seven Lakhs) Equity Shares (i.e. 17% shareholding) of Target Company. The subscription is subject to compliance with certain conditions precedent including receipt of RBI and SEBI approval in relation to the Open Offer.
5. Meghal Jain & Associates, Chartered Accountants (FRN: 133824W) having office at 384/J, Shop No. 19/20, 1ST Floor, Dabholkarwadi, Kalbadevi Road, Mumbai – 400 002; Tel No.: +91 9969178022 / 8169215967; have, vide its certificate dated May 18, 2018, certified that the Acquirer and the PACs have adequate financial resources through verifiable means to fulfil its payment obligations under this Open Offer.
6. The Manager has entered into an agreement dated May 18, 2018 with the Acquirer, the PACs and the Escrow Bank, as amended (“**Escrow Agreement**”) pursuant to which the Acquirer has solely authorized the Manager

to realize the value of the Escrow Account and to operate the special escrow account as per the provisions of the SEBI (SAST) Regulations.

7. The Manager is satisfied that firm arrangements have been put in place by the Acquirer and the PACs to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

## **VI. TERMS AND CONDITIONS OF THE OPEN OFFER**

### **A. Operational Terms and Conditions**

1. In terms of the schedule of activities, the Tendering Period for the Open Offer shall commence on February 5, 2019 and close on February 18, 2019.
2. This LOF along with Form of Acceptance will be dispatched (through e-mail or physical mode) to all Equity Shareholders of the Target Company, whose names appear on the register of members of the Target Company and to the owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories at the close of business hours on Tuesday, January 22, 2019 (“**Identified Date**”). Pursuant to the explanation to regulation 18(2) of the SEBI (SAST) Regulations, inserted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2018, Equity Shareholders who have registered their email id’s with the depositories shall be dispatched this Letter of Offer through electronic means. If Equity Shareholders wish to obtain a physical copy of this Letter of Offer, they may send a request to the Registrar to the Open Offer or the Manager at the address or email id mentioned on the cover page of this Letter of Offer, by stating such Equity Shareholder’s name, number of Equity Shares held, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of this Letter of Offer shall be dispatched to such Equity Shareholder. Equity Shareholders who have not registered their email id’s with the depositories shall be dispatched this Letter of Offer through physical mode. In accordance with the proviso to regulation 18(2) of the SEBI (SAST) Regulations, where local laws or regulations of any jurisdiction outside India may expose the Acquirer, the PACs or the Target Company to material risk of civil, regulatory or criminal liabilities in the event this Letter of Offer in its final form were to be sent without material amendments or modifications into such jurisdiction, and the shareholders resident in such jurisdiction hold shares entitling them to less than 5 (five) per cent of the voting rights of the Target Company, the Acquirer and PACs may refrain from dispatch of this Letter of Offer into such jurisdiction. Every person holding Equity Shares, regardless of whether he held Equity Shares on the Identified Date or has not received this Letter of Offer, shall be entitled to tender such Equity Shares in acceptance of the Open Offer.
3. Accidental omission to dispatch this LOF to any Equity Shareholder entitled to this Open Offer or non-receipt of this LOF by any Equity Shareholder entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Open Offer is subject to the terms and conditions set out herein.
4. The Equity Shares tendered under this Open Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
5. This is not a conditional Open Offer and there is no stipulation on any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
6. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations
7. The Identified Date for this Open Offer as per the schedule of activities is January 22, 2019.
8. The marketable lot for the Equity Shares for the purpose of this Open Offer shall be 1 (one).
9. The instructions and provisions contained in the Form of Acceptance constitute an integral part of the terms of this Open Offer.
10. Applications in respect of Equity Shares of the Target Company that are subject matter of litigation wherein the Public Shareholders of the Target Company may be prohibited from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Open Offer. The Letter of Open

Offer in such cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

11. In terms of regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Open Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

**B. Eligibility for accepting the Open Offer**

1. This Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company and whose names appear as beneficiaries on the records of the respective Depositories at the close of business hours on the Identified Date.
2. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Open Offer at any time before the closure of the Tendering Period are eligible (subject to chapter VI section C (*Statutory and other Approvals*) below) to participate in this Open Offer.
3. The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer, this Letter of Offer and the Form of Acceptance for non-resident shareholders and physical shareholders will also be available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download this Letter of Offer or the Form of Acceptance from SEBI's website.
4. The acceptance of this Open Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Open Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
5. The acceptance of this Open Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
6. By accepting this offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer for the purpose of this Open Offer.
7. None of the Acquirer and the PACs, the Manager or the Registrar to the Open Offer accepts any responsibility for any loss of equity share certificates, Open Offer acceptance forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
8. The acceptance of Equity Shares tendered in the Open Offer will be made by the Acquirer in consultation with the Manager.
9. The Acquirer and the PACs reserve the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 1 (one) Working Day prior to the commencement of the Tendering Period, i.e., up to February 1, 2019, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer and the PACs would pay such revised price for all the Equity Shares validly tendered at any time during the Open Offer and accepted under the Offer in accordance with the terms of this Letter of Offer.
10. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Open Offer.
11. **Locked in Equity Shares:** The locked-in Equity Shares, if any acquired pursuant to the agreement or offer can be transferred to the Acquirer and PACs, subject to the continuation of the residual lock-in period in the hands of the Acquirer and the PACs. The Manager will ensure that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.

**C. Statutory and Other approvals**

1. To the best of the knowledge of the Acquirer and the PACs, there are no statutory or other approvals required to complete the acquisition under the Inter-se Agreement and the Open Offer as on the date of this Letter of Offer, except as set out below. If, however, any statutory or other approval becomes applicable prior to completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.



2. This Open Offer and the Underlying Transaction are subject to the receipt of the approval from the RBI in relation to the transactions contemplated under the Inter-se Agreement and other transaction documents (which condition is outside the reasonable control of the Acquirer and the PACs).
3. The transaction contemplated under the Inter-se Agreement involves acquisition of control of the Target Company by the Acquirer. In order for the aforesaid transaction to be completed, prior approval of the RBI will have to be obtained by the Target Company, pursuant to the provisions of the Reserve Bank of India Circular - RBI/2015-16/122 DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 9, 2015, which has been received from the RBI vide their letter no. DNBS. (ND)ND-SI/No.4043/05.20.066/2018-19 dated January 18, 2019. The said RBI Approval provides that in case the Courts at Hong Kong pass any adverse ruling in the alleged multi-million-dollar fraud involving SSG Capital Management (Singapore) Pte. Ltd. and Mr. Shyam Maheshwari, the appointment of Mr. Shyam Maheshwari as a director on the board of the Target Company shall be automatically revoked and requires the Target Company to update the RBI on the final outcome of the ongoing case before the Courts at Hong Kong.
4. All Public Shareholders of the Target Company who are either Non-Resident Indian (the “NRIs”) or Overseas Corporate Bodies (the “OCBs”) are subject to approval/exemption, if applicable, from the RBI. NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of this Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Open Offer.
5. In case of delay in receipt of any statutory approval to be obtained by the Acquirer and the PACs, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with regulation 18(11) of the SEBI (SAST) Regulations, permit the Acquirer and the PACs to delay the commencement of the Tendering Period for the Open Offer pending receipt of such statutory approval(s) or grant an extension of time to the Acquirer to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Open Offer. Where any statutory extends to some but not all of the Public Shareholders, the Acquirer and/or the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
6. In accordance with the SEBI Letter, the Acquirer and the PACs are liable to make an interest payment to the Public Shareholders who successfully tender their Equity Shares, to be computed at the rate of 10 (ten) per cent per annum on the Offer Price due to delay in payment as a result of delayed receipt of the RBI Approval. This payment shall be made within the specified timeframe of 10 (ten) working days from the last date of the Tendering Period. Accordingly, the Acquirer and the PACs will make the interest payment at the rate of 10 (ten) per cent per annum on the Offer Price for the period from November 30, 2018 (Scheduled Payment Date) till March 6, 2019 (being the date of the actual date of payment of consideration under the Open Offer), to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. The interest amount computed at 10 (ten) per cent per annum on the Offer Price over such period is INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share. However, it is clarified that the Acquirer and the PACs shall make this payment of INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share after deducting TDS at the applicable rates in accordance with the provisions of the ITA. Further, the Interest Payment Amount will be paid separately to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.
7. Pursuant to Regulation 23 of the SEBI (SAST) Regulations, the Acquirer and the PACs have the right to withdraw the Open Offer if any statutory approvals, disclosed in this Letter of Offer, which are required for the completion of the Open Offer having been finally refused.

8. There are no conditions as stipulated in the Inter-se Agreement, the meeting of which would be outside the reasonable control of the Acquirer, and in view of which the Open Offer might be withdrawn under Regulation 23(1) of the SEBI (SAST) Regulations.

## VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

1. The Open Offer will be implemented by the Acquirer and the PACs through Stock Exchange Mechanism made available by the Designated Stock Exchange 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 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.
2. BSE shall be the Designated Stock Exchange for the purpose of tendering Shares in the Open Offer.
3. The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on the Stock Exchange in the form of a separate window.
4. The Acquirer and PACs have appointed IDFC Securities Limited (“**Buying Broker**”) for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the Tendering Period.
5. The Contact details of the Buying Broker are as mentioned below:

### **IDFC Securities Limited**

**Address:** 6th Floor, One India Bulls Centre, Tower 1C, 841, Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone, Mumbai – 400013.

**Contact Person:** Mr. Amit Gangnaik Tel No.: +91 22 4202 2585

**Email Id:** idfcsec.ie@idfc.com

6. All Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker(s)**”), during the normal trading hours of the secondary market during the Tendering Period.
7. Separate Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Equity Shares as well as physical Equity Shares.
8. During the Tendering Period, the tender of the Equity Shares by the Public Shareholders in this Offer will be placed through their respective Selling Brokers during normal trading hours of the secondary market. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.
9. Modification/cancellation of orders will not be allowed during the Tendering Period of the Open Offer.
10. Non-resident Public Shareholders who are holding shares in both physical as well as dematerialized form, as well as resident Public Shareholders who are holding shares in physical form are mandatorily required to fill the Form of Acceptance and send the same to the Registrar to the Open Offer at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. Resident Public Shareholders holding shares in dematerialized form are not required to fill the Form of Acceptance. However, (a) resident Public Shareholders holding shares in dematerialised form; (b) non-resident Public Shareholders holding shares in physical form/ dematerialised form and (c) resident Public Shareholders holding shares in physical form should note that in addition to the Offer Price to be paid through the Clearing Corporation, the Acquirer and the PACs will make the interest payment at the rate of 10 (ten) percent per annum on the Offer Price for the period from November 30, 2018 (Scheduled Payment Date) till March 6, 2019 (being the date of the actual date of payment of consideration under the Open Offer), to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. The interest computed at 10 (ten) percent per annum on the Offer Price over such period is INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share. However, it is clarified that the Acquirer and the PACs shall make this payment of INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share after deduction of TDS in accordance with the provisions of the ITA at the applicable rates. Further, this payment will be paid separately to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. Further resident and non-resident Public Shareholders who require that no tax is to be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the documents, as disclosed under Chapter VII Section 20 (*Note on Taxation*) Sub-section (f) of this Letter of Offer, are required to be submitted to the Registrar to the Open Offer along

with duly filled Form of Acceptance.

11. All the Public Shareholders who desire to tender their Equity Shares under the Open Offer should consult with their depository participants and their respective stock brokers well in advance to understand the process and methodology in relation to tendering of the Equity Shares through the Designated Stock Exchange.
12. Shareholders can tender their shares only through a broker with whom the shareholder is registered as a client (KYC Compliant).
13. In the event Seller Broker(s) are not registered with BSE or if the Shareholder does not have any stock broker then that Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Shareholder may approach Company's Broker viz. IDFC Securities Limited at 6th Floor, One India Bulls Centre, Tower 1C, 841, Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone, Mumbai – 400013, to bid by using quick UCC facility. The Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

**In case of Shareholder being an individual**

**If Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:**

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

**If Shareholder is not registered with KRA: Forms required:**

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
  - ✓ PAN card copy
  - ✓ Address proof
  - ✓ Bank details of the bank account in which funds would be deposited (cancelled cheque if name of the account holder is pre-printed on it or Bank statement not older than 3 months)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- It may be noted that other than submission of above forms and documents in person verification may be required.

**In case of Shareholder is HUE:**

**If Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:**

- Central Know Your Client(CKYC)form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
  - ✓ Bank details of the bank account in which funds would be deposited (cancelled cheque if name of the account holder is pre-printed on it or Bank statement not older than 3 months)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

**If Shareholder is not registered with KRA: Forms required:**

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
  - ✓ PAN card copy of HUF & KARTA
  - ✓ Address proof of HUF & KARTA
  - ✓ HUF declaration
  - ✓ Bank details of the bank account in which funds would be deposited (cancelled cheque if name of the account holder is pre-printed on it or Bank statement not older than 3 months)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

**In case of Shareholder other than Individual and HUF:**

If Shareholder is KRA registered: Form required

- Know Your Client (KYC) form Documents required (all documents certified true copy)
- Bank details of the bank account in which funds would be deposited (cancelled cheque if name of the account holder is pre-printed on it or Bank statement not older than 3 months)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

If Shareholder is not KRA registered: Forms required:

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):
  - ✓ PAN card copy of company/ firm/trust
  - ✓ Address proof of company/ firm/trust
  - ✓ Bank details of the bank account in which funds would be deposited (cancelled cheque if name of the account holder is pre-printed on it or Bank statement not older than 3 months)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories /partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees
- Latest shareholding pattern

- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Public Shareholders holding Equity Shares in physical form must also provide the documents mentioned in Chapter VII Section 15 of this Letter of Offer.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

14. **Procedure for tendering Equity Shares held in Dematerialised Form:**

- a) The Public Shareholders who are holding Equity Shares in electronic/ dematerialised form and who desire to tender their Equity Shares under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- b) The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the BSE. Before placing the order/bid, the Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by the BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- c) Upon placing the order, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- d) Modification/cancellation of orders will not be allowed during the Tendering Period of the Open Offer.
- 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 time provided by the Stock Exchange on the last day of the Tendering 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 Designated Stock Exchange / Clearing Corporation, before the opening of the Open Offer.
- g) The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated acceptance in the Open Offer.
- h) The cumulative quantity tendered shall be made available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
- i) In case any person has submitted the Equity Shares held in physical mode for conversion to demat form or dematerialisation, such Public 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 close of Tendering Period.
- j) **Non-resident Public Shareholders holding Equity Shares in Demat:** The non-resident Public Shareholders holding Equity Shares in dematerialized form, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents as identified under Chapter VII Section 20 (*Note on Taxation*) Sub-section (f) of this Letter of Offer to the Registrar to the Open Offer at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. The envelope should be super scribed as “Tourism Finance Corporation

of India Limited Open Offer”. Detailed procedure for tendering the Equity Shares will be included in the Form of Acceptance.

- k) **Resident Public Shareholders holding Equity Shares in Demat:** The resident Public Shareholders holding Equity Shares in demat form who require that no tax be deducted on the interest component or tax is to be deducted at a rate lower than the prescribed rate, in such cases the documents, as disclosed under Chapter VII Section 20 (*Note on Taxation*) Sub-section (f) of this Letter of Offer, are required to be submitted to the Registrar to the Open Offer along with duly filled Form of Acceptance at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India.
- l) In relation to the rate at which tax shall be deducted at source by the Acquirer and the PACs, please refer Chapter VII Section 20 (*Note on Taxation*) of this Letter of Offer.

15. **Procedure for tendering the Equity Shares held in physical form:**

- a) The Public Shareholders holding physical shares and who wish to tender their Equity Shares in this Open Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:
  - (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 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 powers of attorney and/or corporate authorizations (including board resolution(s)/specimen signature(s)), duly notarized copy of death certificate, succession certificate or probated will if the original shareholder has deceased; and
  - (vi) Self-attested copy of any one of the following proof of address such as valid Aadhar card, voter ID, passport or driving license.
- b) The Selling Broker(s) should place bids on the exchange platform including the relevant details as specified on the physical share certificate(s). The Selling Broker (s) shall print the TRS generated by the exchange bidding system. The TRS will contain the details of order submitted such as Folio No., Certificate No., Distinctive Nos. and number of Equity Shares etc.
- c) The Selling Broker(s)/Public Shareholder must deliver the share certificates relating to its Equity Shares and other documentation listed in paragraph (a) above along with the TRS to the Registrar i.e. Link Intime India Private Limited at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. The envelope should be superscribed “**Tourism Finance Corporation of India Limited Open Offer**”. Share certificates for physical shares must reach the Registrar within 2 (two) days of bidding by the Selling Broker.
- d) The Public Shareholders holding physical shares should note that their Equity Shares tendered will not be accepted unless the complete set of documents specified in paragraph (a) above are submitted. Acceptance of the physical shares in this Open Offer shall be subject to verification by the Registrar. On receipt of the confirmation from the Registrar, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform.
- e) In case any person has submitted physical shares held by him/her for conversion to dematerialised form or dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in this Open Offer by or before the closure of the Tendering Period.

- f) **Resident Public Shareholders holding Equity Shares in physical form:** The resident Public Shareholders holding Equity Shares in physical form, are required to send the Form of Acceptance along with the required documents (including the documents and information identified in Chapter VII Section 15 Sub-section (a) above and Chapter VII Section 20 (*Note on Taxation*) Sub-section (f) of this Letter of Offer to the Registrar to the Open Offer at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. The envelope should be super scribed as “Tourism Finance Corporation of India Limited Open Offer”. Detailed procedure for tendering the Equity Shares will be included in the Form of Acceptance.
- g) **Non-resident Public Shareholders holding Equity Shares in physical form:** The non-resident Public Shareholders holding Equity Shares in physical form, are required to send the Form of Acceptance along with the required documents (including the documents and information identified in Chapter VII Section 15 Sub-section (a) above and Chapter VII Section 20 (*Note on Taxation*) Sub-section (f) of this Letter of Offer to the Registrar to the Open Offer at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. The envelope should be super scribed as “Tourism Finance Corporation of India Limited Open Offer”. Detailed procedure for tendering the Equity Shares will be included in the Form of Acceptance.
- h) In relation to the rate at which tax shall be deducted at source by the Acquirer/ PACs, please refer to Chapter VII Section 20 (*Note on Taxation*) of this Letter of Offer.

16. **Acceptance of Shares**

Registrar to the Open 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) validly tendered by the Public Shareholders under this Open 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.

17. **Procedure for tendering the shares in case of non-receipt of this Letter of Offer:**

- a) The Public Shareholders 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 acquired the Equity Shares after the Identified Date, or those who have not received this Letter of Offer, may also participate in this Open Offer.
- b) A Public Shareholder may participate in the Open Offer by approaching their broker / Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the relevant Form of Acceptance.
- c) This Letter of Offer along with Form of Acceptance will be dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of this Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Open Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.
- d) This Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and shareholders can also apply by downloading such forms from the said website.
- e) Alternatively, in case of non-receipt of this Letter of Offer, shareholders holding the Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents as mentioned in Chapter VII Sections 13, 14 and 15 of this Letter of Offer along with Form SH 4 (in case of Equity Shares being held in physical form). Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Open Offer.

## 18. Settlement Process

- a) On closure of the Open Offer, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Open Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of the 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) For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI or bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- d) In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.
- e) The Public Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Open Offer.
- f) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Public Shareholders directly by the Registrar. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Target Company are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.
- g) Target Company's Broker would also issue a contract note to the Target Company for the Equity Shares accepted under the Open Offer. If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Public Shareholder.
- h) Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- i) Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the pool account of the Buying Broker, which will be, post settlement of funds/payment consideration, will be transferred to respective accounts of Acquirer and PACs, in terms of Inter-se Agreement.
- j) Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Open Offer.
- k) In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- l) 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 Public 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 Open Offer.

**19. Settlement of Funds / Payment Consideration**

- a) The Buying Broker will transfer the funds pertaining to the Open Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- b) For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds payout to respective Public Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI or the Bank, due to any reason or the bank accounts of the Public Shareholders are not available, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- c) The payment will be made by the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Public Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- d) The funds received from the Buyer Broker by the Clearing Corporation will be released to the Public Shareholder / Selling Broker (s) as per secondary market pay out mechanism.
- e) Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer and the PACs accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.
- f) 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. In accordance with the SEBI Letter, the Acquirer and the PACs are liable to make an interest payment to the Public Shareholders who successfully tender their Equity Shares, to be computed at the rate of 10 (ten) per cent per annum on the Offer Price due to delay in payment as a result of delayed receipt of the RBI Approval. This payment shall be made within the specified timeframe of 10 (ten) working days from the last date of the Tendering Period. Accordingly, the Acquirer and the PACs will make the interest payment at the rate of 10 (ten) per cent per annum on the Offer Price for the period from November 30, 2018 (Scheduled Payment Date) till March 6, 2019 (being the date of the actual date of payment of consideration under the Open Offer), to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. The interest amount computed at 10 (ten) per cent per annum on the Offer Price over such period is INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share. However, it is clarified that the Acquirer and the PACs shall make this payment of INR 4.18 (Indian Rupees Four and Eighteen Paise only) per Equity Share after deducting TDS at the applicable rates in accordance with the provisions of the ITA. Further, the Interest Payment Amount will be paid separately to the Public Shareholders who successfully tender their Equity Shares, within 10 (ten) working days from the last date of the Tendering Period. For the purpose of clarification it may be noted that the aforesaid Interest Payment Amount will be payable to all successful Public Shareholders whose Equity Shares are validly tendered and accepted in the Open Offer.
- g) The Interest Payment Amount, to be paid by the Acquirer and the PACs for delay in the payment of Offer Price or a part thereof, shall be subject to deductions for TDS and paid to the Public Shareholders via the Registrar to the Open Offer. Please refer section 20 (*Note on Taxation*) for further details. The Interest Payment Amount will be paid into the bank account of the successful Public Shareholders as per the details taken from the record of the DP or specified in the Form of Acceptance, as the case may be.
- h) In relation to the rate at which tax shall be deducted at source by the Acquirer and the PACs, please refer to Chapter VII Section 20 (*Note on Taxation*) Sub-section (f) of this Letter of Offer. In case of any ambiguity, incompleteness or conflicting information, or the information not being provided to the Acquirer and the PACs, the Acquirer and the PACs will arrange to deduct tax at the maximum

marginal rate, as the case may be, applicable to the relevant category to which the shareholder belongs under the ITA (i.e. 40% in case of foreign company, 30% in case of all other category of persons, plus applicable surcharge and cess) on the interest payable to such shareholder.

## 20. **Note on taxation**

The information provided below sets out the income-tax implications on tendering of listed equity shares on the recognised stock exchange under an open offer in a summary manner only and is not a complete analysis or listing of all potential tax consequences under the tax laws presently in force in India. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

**ELIGIBLE EQUITY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION.**

The law stated below is as per the IT Act as amended upto Finance Act, 2018.

### a) **General:**

- (i) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31.
- (ii) A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.
- (iii) A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

Accordingly, since the Target Company is incorporated in India, the Target Company's shares are deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the IT Act.

Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is a tax resident subject to satisfying the relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the IT Act.

- (iv) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the open offer, based on the period of holding, residential status, classification of the shareholder, nature of the income earned, etc.
- (v) All references to equity shares herein refer to listed equity shares unless stated otherwise.

### b) **Classification of Shares**

The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. Shareholders are also required to refer to *Circular No.6/2016 dated February 29, 2016* issued by the Central Board of Direct Taxes ("CBDT"). The nature of gains/loss in the foregoing cases will be as under:

- **Shares held as investment** : Income arising from transfer of shares taxable under the head "Capital Gains"
- **Shares held as stock-in-trade** : Income arising from transfer taxable under the head "Profits and Gains from Business or Profession"

c) **Taxability of Capital Gains in the hands of the Shareholders:**

- (i) Capital gains in the hands of shareholders would be computed as per the provisions of section 48 of the IT Act and the rate of income-tax would depend on the period of holding.
- (ii) Period of Holding: Depending on the period for which the shares are held, the gains would be taxable as 'short term capital gain' or 'long-term capital gain'. Such classification would be determined as under:
  - **Short-term Capital Asset ("STCA")** : Equity shares held for less than or equal to 12 months
  - **Long-term Capital Asset ("LTCA")** : Equity share held for more than 12 months
- (iii) Accordingly, gains arising from transfer of a STCA are taxable as 'Short-term Capital Gains' ("STCG"). Gains arising from transfer of a LTCA are taxable as 'Long-term Capital Gains' ("LTCG").
- (iv) As per section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax ("STT") has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds INR 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.
- (v) Such LTCG will be computed without considering the indexation benefit. The cost of acquisition will be computed in accordance with the provisions of section 55 read with section 112A of the IT Act.
- (vi) STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under section 111A of the IT Act.
- (vii) As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- (viii) Further the provisions of Minimum Alternate Tax on the book profits as contained in section 115JB of the IT Act or Alternate Minimum Tax contained in section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders.

The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.
- (ix) As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.
- (x) Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.
- (xi) Additional information in case of Foreign Institutional Investors ("FIIs"):
  - A. As per section 2(14) of the IT Act, any securities held by a FII which has

invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.

- B. The provisions of Indirect transfer in terms of Explanation 5 to section 9 of the IT Act do not apply to non-resident investors in FIIs referred to in section 115AD and Category-I and Category-II Foreign Portfolio Investor (“FPI”) registered under Securities and Exchange Board of India (FPI) Regulations, 2014.
- C. Under section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%,
- D. Under section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in section 112A, income-tax at the rate of 10% will be calculated on such income exceeding Rs. 1 lakh.

Such capital gains would be computed without giving effect to the first and second proviso to section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not allowed while computing the Capital Gains.

- E. The above rates are to be increased by applicable surcharge and cess.
- F. Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
- G. The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of section 115AD of the IT Act.

(xii) Additional Information in case of Non-resident Indians (“NRIs”):

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e. individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

- A. Under section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10 % (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
- B. Under section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 (three) years from the date of their acquisition.
- C. Under section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
- D. As per provisions of Section 115-I of the IT Act, an NRI may elect not to be

governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

(xiii) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

(xiv) Investment Funds:

Under section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head “Profits and gains of business or profession” would be exempt from income-tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

(xv) Mutual Fund

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

d) **Taxability of Business Income in the hands of the Shareholders:**

(i) Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders.

(ii) In terms of section 36(1)(xv) of the IT Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.

(iii) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

e) **Withholding Tax implications:**

(i) Remittance/Payment of Consideration

A. Resident shareholders:

In the absence of any provisions under the IT Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer and the PACs are not required to withhold tax on the consideration payable to eligible shareholders pursuant to tendering of shares under the Open Offer.

B. Non-resident shareholders – FIIs

Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.

C. Non-resident shareholders (other than FIIs):

- Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.
- Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.
- However, the Acquirer / PACs will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer/PACs to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer/PAC to the non-resident shareholders.
- Since the tendering of shares under the open offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes. It is therefore recommended that the non-resident shareholders consult their custodians / authorized dealers / tax advisors appropriately.

(ii) Remittance/Payment of Interest

- A. In case of interest, if any, paid by the Acquirer and PACs to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18 (11) of the SEBI (SAST) Regulations, the Acquirer and the PACs will deduct TDS at the applicable rates in accordance with the provisions of the IT Act, so long as a Permanent Account number (“PAN”) is submitted by the shareholders. In case the PAN is not submitted or is invalid or does not belong to the shareholder, the applicable withholding tax rate would be the higher of 20% or at the rate in force or at the rate specified in the relevant provisions of the IT Act. The provisions of section 206AA will not apply if the non-resident shareholder provides to the payer the following documents:
- name, e-mail id, contact number;
  - address in the country or specified territory outside India of which the shareholder is a resident;
  - Tax Residency Certificate with details prescribed under rule 37BC or TRC with 10F if the TRC does not contain all such prescribed;
  - Tax Identification Number/ Unique Identification Number of the shareholder.
- B. The TDS on interest payment as mentioned above is subject to the following exemptions:

Resident shareholders:

- There will be no TDS if interest payable does not exceed Rs 5,000/-
- There will be no TDS on interest payable to the following parties:
  - (a) any banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies;
  - (b) any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank);
  - (c) any financial corporation established by or under a Central, State or Provincial Act;
  - (d) the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956);
  - (e) the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963); and

(f) any company or co-operative society carrying on the business of insurance.

- There will be no TDS in the case of a SEBI registered mutual fund as per section 10(23D) of the IT Act;
- There will be no TDS for any entity which is exempted as such by any notification issued under Section 197A (1F) of the IT Act;
- Nil or lower rate of TDS (as applicable) will be applied if the shareholder furnishes a certificate from the Income-tax authorities under section 197 of the IT Act

Non-resident shareholders:

Shareholders claiming benefit of DTAA should submit Tax Residency Certificate, Form 10F, Self-declaration confirming 'No permanent establishment in India' and such other documentation required to substantiate their claim as per the relevant provisions of the DTAA along with the Form of Acceptance. In the absence of the aforesaid documents, taxes would be deducted in accordance with Chapter VII Section 20 (*Note on Taxation*) sub-section (e)(ii)(C) below.

- C. Notwithstanding any of the above, in case of ambiguity, incomplete or conflicting information, or the information not being provided to the Acquirer and the PACs, the Acquirer and the PACs will arrange to deduct tax at the maximum marginal rate, as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons, plus applicable surcharge and cess) on the interest payable to such shareholder.

f) **Documents to be provided alongwith the Form of Acceptance:**

- (i) Resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit a self-attested copy of the PAN card, and any of the following documents, as may be applicable:
- A. Certificate under Section 197 of the IT Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer/ PAC;
  - B. Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act;
  - C. Self-declaration in Form 15G / Form 15H (in duplicate), if applicable
  - D. SEBI registration certificate as a mutual fund;
  - E. Documentary evidence (e.g. copy of relevant registration or notification) in support of the claim that the shareholder is a bank or entity covered in section 194A(3)(iii) of the IT Act; and
  - F. SEBI registration certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction under section 197A (1F) of the IT Act.
- (ii) Non- resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit the following documents, as may be applicable:
- A. Self-attested copy of PAN Card; or
    - name, e-mail id, contact number;
    - address in the country or specified territory outside India of which the

- shareholder is a resident;
  - Tax Residency Certificate;
  - Form 10F; and
  - Tax Identification Number/ Unique Identification Number of the shareholder.
- B. Tax Residency Certificate;
- C. Form 10F;
- D. Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India;
- E. Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer / PAC;
- F. Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act; and
- G. SEBI registration certificate for FII and FPI.

g) **Tax Deduction Certificate**

The Acquirer and the PACs will issue a certificate in the prescribed form to the shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of the IT Act read with the Income-tax Rules, 1962 made thereunder.

h) **Others**

- (i) Notwithstanding the details provided above, all payments will be made to the shareholders subject to compliance with prevailing tax laws.
- (ii) The tax deducted by the Acquirer and the PACs while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this open offer, before the income-tax authorities.
- (iii) The Acquirer and the PACs will deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholder, such shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirer and the PACs with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.
- (iv) The Acquirer, PACs and the Manager to the open offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

**THE ABOVE DISCLOSURE ON TAXATION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED ABOVE. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE ABOVE DISCLOSURES.**

**THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT ABOVE SHOULD BE TREATED AS INDICATIVE**



**AND FOR GUIDANCE PURPOSES ONLY.**

**THE ACQUIRER AND THE PACS DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, ELIGIBLE EQUITY SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY IS INTENDED ONLY TO PROVIDE GENERAL INFORMATION TO THE SHAREHOLDERS AND IS NEITHER DESIGNED NOR INTENDED TO BE SUBSTITUTED FOR PROFESSIONAL TAX ADVICE. IN VIEW OF THE INDIVIDUAL NATURE OF TAX CONSEQUENCES, EACH SHAREHOLDER IS ADVISED TO CONSULT HIS/HER OWN TAX ADVISOR WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY.**

**VIII. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection by the Public Shareholders at the office of the Manager at Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, between 10:30 a.m. and 3:00 p.m. on any Working Day (except Saturdays and Sundays) during the Tendering Period.

1. Certified copies of the Memorandum and Articles of Association and certificate of incorporation of the Acquirer and PAC 1;
2. Certificates by N.H. Shah & Associates, Chartered Accountants (Firm Registration No. 131570W), stating the net worth of the PAC 2;
3. Certificate dated May 18, 2018 from Meghal Jain & Associates, Chartered Accountants (FRN: 133824W) certified that the Acquirer and PACs have adequate and firm financial resources through verifiable means to fulfil their obligations under this Open Offer.
4. Audited Financial statements of Acquirer for the three financial years ending on March 31, 2016, 2017 and 2018.
5. Audited Financial statements of PAC 1 for the three financial years ending on December 31, 2015, 2016 and 2017.
6. Annual reports and financial statements of the Target Company for the three financial years ending on March 31, 2016, 2017 and 2018 and limited reviewed un-audited financial results for six months ended September 30, 2018 as available on BSE.
7. The Escrow Agreement and the Amendment Agreement both between the Acquirer, PACs, the Manager and the Escrow Bank.
8. Letters dated May 24, 2018 and January 23, 2019 from the Escrow Bank confirming the receipt of the cash deposit in the Escrow Account;
9. Certified true copy of the Inter-se Agreement and the First Amendment Agreement;
10. Copy of the Public Announcement submitted to the Stock Exchanges on May 18, 2018 and SEBI on May 18, 2018;
11. Copy of the Detailed Public Statement published by the Manager on behalf of the Acquirers and the PACs on May 25, 2018;
12. Published copy of the recommendation to be made by the committee of the independent directors of the Target Company in relation to the Open Offer;
13. RBI Approval letter no. DNBS. (ND)ND-SI/No.4043/05.20.066/2018-19 dated January 18, 2019; and
14. SEBI observation letter no. SEBI/HO/CFD/DCR-2/OW/P/2018/28523/1 dated October 11, 2018 on the Draft Letter of Offer and SEBI letter no. SEBI/HO/CFD/DCR-2/OW/P/2018/29580/1 dated October 24, 2018 in relation to the Open Offer.

**IX. DECLARATION BY THE ACQUIRER AND THE PACs**

1. The Acquirer and the PACs and their respective directors accept full responsibility for the information contained in this LOF including the Form of Acceptance-cum-Acknowledgement (other than such information as has been obtained from public sources or provided or relating to and confirmed by the Target Company). For the purposes of the disclosures pertaining to the Target Company contained in this LOF, the Acquirer and the PACs have relied on the information available from public sources or provided by the Target Company, as the case may be, and the same has not been independently verified by the Acquirer or the PACs.
2. The Acquirer and the PACs shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Open Offer.
3. The persons signing this LOF on behalf of the Acquirer and PAC 1 have been duly and legally authorized by the respective boards of directors to sign this LOF.

**For and on behalf of the Acquirer and the PACs**

<b>REDKITE CAPITAL PRIVATE LIMITED</b>	<b>INDIA OPPORTUNITIES III PTE. LIMITED</b>	<b>MR. KOPPARA SAJEEVE THOMAS</b>
Sd/-	Sd/-	Sd/-

**Place:** Mumbai

**Date:** January 23, 2018

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

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**

**TOURISM FINANCE CORPORATION OF INDIA LIMITED**

*(All non-resident Public Shareholders (holding physical and/or demat shares) and resident Public Shareholders holding physical shares are mandatorily required to fill this form of acceptance-cum-acknowledgement (“Form of Acceptance” or “Form”). The non-resident Public Shareholders holding demat shares are required to send this form with enclosures to the Registrar to the Open Offer at their address i.e C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. The Public Shareholders holding physical shares (resident and non-resident) are required to send this Form along with the enclosures to their respective broker/Seller Member.)*

*(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the Letter of Offer)*

(Please send this Form of Acceptance with TRS generated by broker/Seller Member and enclosures to the Registrar to the Open Offer – Link Intime India Private Limited, at their office address at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India)

To,

**TENDERING PERIOD FOR THIS OFFER**

**The Acquirer and the PACs**

<b>OFFER OPENS ON</b>	<b>FEBRUARY 5, 2019</b>
<b>OFFER CLOSES ON</b>	<b>FEBRUARY 18, 2019</b>

C/o Link Intime India Private Limited

C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),

Mumbai 400 083, Maharashtra, India

Tel Nos.: +91 22 49186200

Dear Sir,

**Sub: Open offer for acquisition of up to 20,986,355 (two crore nine lakh eighty six thousand three hundred and fifty five) fully paid up equity shares of face value of INR 10 each (“Equity Shares”) representing 26% of the total fully paid up equity share capital (“Offer Shares”) of Tourism Finance Corporation of India Limited (“Target Company”) on a fully diluted voting share capital basis, as of the 10th working day from the closure of the tendering period (“Voting Share Capital”), from the Public Shareholders of the Target Company by Redkite Capital Private Limited (“Acquirer”) along with India Opportunities III Pte. Limited (“PAC 1”) and Mr. Koppara Sajeve Thomas (“PAC 2”) (PAC 1 and PAC 2 are collectively referred to as “PACs”) as the persons acting in concert with the Acquirer (“Open Offer”).**

I / We refer to the Letter of Offer dated January 23, 2019 for acquiring the Equity Shares held by me / us in Tourism Finance Corporation of India Limited.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

<b>Name (in BLOCK LETTERS)</b>	<b>Holder</b>	<b>Name of the Shareholder(s)</b>	<b>Permanent Account Number (PAN)</b>
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s) / demat account)	Sole / First		
	Second		
	Third		
<b>Contact Number(s) of the First Holder</b>	<b>Tel No. (With STD Code); Fax No. (with STD Code):</b>		<b>Mobile No.:</b>

Name (in BLOCK LETTERS)	Holder	Name of the Shareholder(s)	Permanent Account Number (PAN)
Full Address of the First Holder (with pin code)			
Email address of First Holder			
Date and Place of incorporation (if applicable)			

I / We, the undersigned, have read the Public Announcement, the Detailed Public Statement, and the Letter of Offer and understood its contents, terms and conditions, and unconditionally accept it.

**FOR ALL EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

I / We, holding physical Equity Shares, accept this Open Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Equity Shares as detailed below:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
<i>(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)</i>				<b>TOTAL</b>	

Enclosures (please provide the following and tick whichever is applicable)

- Original share certificate(s)
- Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
- Self-attested copy of the Public Shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors)
- This Form – for Public Shareholders holding Equity Shares in physical mode 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;
- A self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license
- Any other relevant document including (but not limited to) such as power of attorney, corporate authorization (including board resolution(s)/ specimen signature(s)), notarised copy/(ies) of death certificate(s) and succession certificate(s) or probated will(s), if the original shareholder is deceased, etc., as applicable.

Public Shareholders holding Physical Shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.

**FOR ALL PUBLIC SHAREHOLDERS (HOLDING EITHER DEMAT SHARES AND/OR PHYSICAL SHARES)**

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Open Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Equity Shares in this Open Offer and that I/we am/are legally entitled to tender the Equity Shares in this Open Offer.

I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Open Offer have been enclosed herewith.

I / We confirm that I / We are not persons acting in concert with the Acquirer or the PACs.

I / We also note and understand that the obligation on the Acquirer and the PACs to pay the purchase consideration (i.e. the Offer Price) and interest (if any) arises only after verification of the certification, documents and signatures submitted along with this Form. I / We undertake to return to the Acquirer and the PACs any purchase consideration and interest wrongfully received by me / us.

I / We give my/our consent to the Acquirer and the PACs to file any statutory documents on my/our behalf in relation to accepting the Equity Shares in this Open Offer. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer and the PACs to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.

I / We are / am not debarred from dealing in Equity Shares.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961 including but not limited to section 281 of the Income Tax Act, 1961.

I / We note and understand that the Equity Shares/ original share certificate(s) and the transfer deed(s) will be held by the Registrar to the Open Offer/ Clearing Corporation in trust for me / us till the date the Acquirer and the PACs make payment of consideration as mentioned in the Letter of Offer or the date by which original share certificate(s), transfer deed(s) and other documents are dispatched to the Public Shareholders, as the case may be.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us , or as a result of income tax (including any consequent interest and penalty) on the income arising from tendering of the Equity Shares, I / we will indemnify the Acquirer and PACs for such income tax demand (including interest, penalty, etc.) and provide the Acquirer and the PACs with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I / We note and understand that the Equity Shares would lie with the Clearing Corporation until the time the Acquirer and the PACs make payment of purchase consideration as mentioned in the Letter of Offer. I / We authorise the Acquirer and the PACs to accept the Equity Shares so offered or such lesser number of Equity Shares which the Acquirer and the PACs may decide to accept in consultation with the Manager and the Registrar to the Open Offer and in terms of the Letter of Offer. I / we further authorize the Acquirer and the PACs to return to me / us, share certificate(s) in respect of which this Open Offer is not found valid / not accepted without specifying the reasons thereof.

I / We have enclosed all documents required under Chapter VII and Section 20 (*Note on Taxation*) of the Letter of Offer.

In case of Public Shareholders holding Equity Shares in physical form, I / we further agree to receive a single share certificate for the unaccepted Equity Shares in physical form (Strikeout if not applicable).

In case of Public Shareholders holding Equity Shares in demat form, I / we note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby Acquirer and PACs makes payment of purchase consideration as mentioned in the Letter of Offer. (Strikeout if not applicable)

I / We confirm that there are no taxes or other claims or proceedings pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961.

#### STATUS OF THE SHAREHOLDER:

I/We, confirm that my/ our status is (tick box whichever is applicable)

<input type="checkbox"/> Individual	<input type="checkbox"/> Indian Company	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> Indian Trust	<input type="checkbox"/> Foreign Trust
<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Private Equity Fund	<input type="checkbox"/> Pension/Provident Fund	<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Partnership/LLP
<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs/PIOs - repatriable	<input type="checkbox"/> NRIs/PIOs - non-repatriable	<input type="checkbox"/> Overseas Corporate Body	<input type="checkbox"/> Qualified Foreign Investor

<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Foreign Portfolio Investor - Corporate	<input type="checkbox"/> Foreign Portfolio Investor - Others	<input type="checkbox"/> Foreign Venture Capital Investor	<input type="checkbox"/> Banks
<input type="checkbox"/> Alternative Investment Funds – Cat I	<input type="checkbox"/> Alternative Investment Funds – Cat II	<input type="checkbox"/> Others – please specify:		

I/We, confirm that our residential status under the Income Tax Act, 1961 is (tick box whichever is applicable)

- Resident
- Non-resident

In case of non-resident Public Shareholders, I/We, confirm that my/ our investment status is (please tick box whichever is applicable and provide supporting documents)

- FDI Route
- PIS Route
- Any other – please specify \_\_\_\_\_

I/We, confirm that the Equity Shares tendered by me/us are held on (tick box whichever is applicable)

- Repatriable basis
- Non-repatriable basis

I/We, confirm that (tick box whichever is applicable)

- No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Open Offer and the Equity Shares are held under general permission of the RBI
- Copies of all approvals required by me for holding Equity Shares that have been tendered in this Open Offer are enclosed herewith
- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

I/We confirm that (tick box whichever is applicable)

- No RBI, FIPB or other regulatory approval is required by me for tendering the Equity Shares in this Open Offer
- Copies of all approvals required by me for tendering Equity Shares in this Open Offer are enclosed herewith

#### **ADDITIONAL CONFIRMATIONS AND ENCLOSURES FOR ALL PUBLIC SHAREHOLDERS, AS APPLICABLE**

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

*For resident Public Shareholders:*

- Certificate under Section 197 of the IT Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer/ PAC;
- Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act;
- Self-declaration in Form 15G / Form 15H (in duplicate), if applicable
- SEBI registration certificate as a mutual fund;
- Documentary evidence (e.g. relevant copy of registration or notification) in support of the claim that the shareholder is a bank or entity covered in Section 194A(3)(iii) of the IT Act;
- SEBI registration certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction under section 197A (1F) of the IT Act.

*For non-resident Public Shareholders:*

- Self-attested copy of PAN Card; or
  - name, e-mail id, contact number;
  - address in the country or specified territory outside India of which the shareholder is a resident;
  - Tax Residency Certificate;
  - Form 10F; and

- Tax Identification Number/ Unique Identification Number of the shareholder.
- Tax Residency Certificate;
- Form 10F;
- Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India;
- Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer / PAC;
- Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act;
- SEBI registration certificate for FII and FPI;

#### BANK DETAILS

In case of Public Shareholders holding Equity Shares in physical form, kindly provide the following details:

Name of the Bank	
Branch	
Account Number	
IFSC code	
MICR code	
Savings/Current/(Others please specify)	

In case of Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

In case of interest payments, if any, by the Acquirer and the PACs for delay in payment of Open Offer consideration or a part thereof, the Acquirer and the PACs will deduct taxes at source at the applicable rates as per the Income Tax Act, 1961.

Yours faithfully,

Signed and Delivered:	Full Name	PAN	Signature
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

**Note:** In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary board resolutions should be attached.

Place: \_\_\_\_\_ Date: \_\_\_\_\_

-----Tear Here-----

#### Acknowledgement Receipt – Tourism Finance Corporation of India Limited – Open Offer

<p>Received from Mr./Ms./M/s. _____</p> <p>Form of Acceptance-cum-Acknowledge for Tourism Finance Corporation of India Limited – Open Offer as per details below: (Delete whichever is not applicable)</p> <p>Folio No. _____ No. of Equity Share certificates _____ for _____ Equity Share</p> <p>Copy of delivery instruction to depository participant of Client ID for _____ Equity Shares</p>
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## **INSTRUCTIONS**

**PLEASE NOTE THAT NO EQUITY SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS, PACs, THE TARGET COMPANY OR TO THE MANAGER**

1. This Form should be filled in English.
2. All queries pertaining to this Open Offer may be directed to the Registrar to the Open Offer.
3. In case of Equity Shares held in joint names, names should be filled in the same order in this Form and in the share transfer deed(s), in the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Open Offer.
4. If non-resident Public Shareholders had required any approval from the RBI 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 pursuant to the Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Equity Shares in the Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer, and provide such other consents, documents and confirmations as may be required to enable the Acquirer and the PACs to purchase the Equity Shares so tendered. In the event any such approvals are not submitted, the Acquirer and the PACs reserves the right to reject such Equity Shares tendered in the Open Offer.
5. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
6. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
7. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
8. In case of unregistered owners of Equity Shares in physical mode, the Public Shareholder should provide: an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place.

The transfer deed should be left blank, except for the signatures and witness details.

**PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.**

9. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.
10. In case the share certificate(s) and the transfer deed(s) are lodged with the Target/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement with, or receipt by, the Target/its transfer agents, of the share certificate(s) and the transfer deed(s).



11. The Public Shareholder should ensure that the certificate(s) and above documents reach the Registrar within 2 (Two) days of the close of Tendering Period.
12. 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) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc.;
13. The Seller Member shall deliver the Equity Shares and requested documentation along with the TRS to the Registrar so as to reach them within 2 days of bidding by the Seller Member. On receipt of the confirmation from RTA the bid will be accepted or else rejected (as applicable) and accordingly the same will be depicted on the exchange platform.
14. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public 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 close of Tendering Period.
15. Procedure for tendering the Equity Shares in case of non-receipt of the Letter of Offer:

Public Shareholders may participate in the Open Offer by confirming their consent to participate in this Open Offer on the terms and conditions of this Open Offer as set out in the PA, the DPS and the Letter of Offer. They can participate by submitting an application on plain paper giving details regarding their shareholding and relevant documents mentioned in the Form of Acceptance. Public Shareholders must ensure that the Acceptance Form, along with the TRS and requisite documents should reach the Registrar of the Open Offer, at their address at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India, within 2 (two) days of the close of Tendering Period. If the signature(s) of the Public Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Target Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.

Alternatively, such holders of Equity Shares may also apply on the form of acceptance- cum- acknowledgement in relation to this Open Offer, which may be obtained from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or from Registrar to the Open Offer.
16. The Acceptance of Shares, Settlement Process, Settlement of Funds / Payment Consideration and the Note on Taxation have been mentioned in the Letter of Offer under Section VII.

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

The Letter of Offer along with Form of Acceptance will be dispatched to all the Public Shareholders holding Physical Shares as on the Identified Date. In case of non-receipt of the Letter of Offer, such shareholders holding physical shares of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a copy of the same from the Registrar to the Open Offer on providing suitable documentary evidence of holding of the Equity Shares.
17. In order to avail Electronic Clearing Service ("ECS") for receipt of consideration, the attached ECS mandate form needs to be duly filled in and signed by the sole/first shareholder and submitted with this Form before the closure of the Open Offer.
18. Interest payment, if any: In case of interest payments by the Acquirer and the PACs for delay in payment of Open Offer consideration or a part thereof, the Acquirer and the PACs will deduct taxes at source at the applicable rates as per the Income Tax Act, 1961.
19. In case of ambiguity, incomplete or conflicting information, or the information and documents not being provided, the Acquirer and the PACs will arrange to deduct tax at the maximum marginal rate, as may be applicable to the relevant category to which the shareholder belongs under the IT Act.

**FOR DETAILED PROCEDURE IN RESPECT OF TENDERING EQUITY SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LETTER OF OFFER**

**THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

**MANDATE FORM**

**ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)**

**The Acquirer and the PACs**

C/o Link Intime India Private Limited  
C-101, 1st Floor, 247 Park, L.B.S. Marg,  
Vikhroli (west), Mumbai – 400 083

Dear Sirs:

I am pleased to participate in the Electronic Clearing Services (ECS) introduced by Reserve Bank of India (RBI). The particulars of my bank account to which the payment of Open Offer consideration may be electronically credited are as follows:

1. Name of Sole/First Holder of Shares
2. Folio No.
3. Name of the Bank
4. Branch address of Bank to which consideration \_\_\_\_\_  
Amount to be credited
5. 9-digit MICR Code Number of the Bank and Branch appearing on the MICR cheque issued by your

Bank. (This is mentioned on the MICR band next to the cheque number.)

**(Please attach blank “cancelled” cheque or a Xerox copy thereof).**

6. Account Type (tick one) Credit                      Savings              Current              Cash
7. Ledger Folio of your Bank Account  
(If any, appearing on your cheque book)
8. Account No. (as appearing on your cheque \_\_\_\_\_  
book)

**I hereby declare that the particulars given above are correct and complete. If the payment of Open Offer consideration is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Target responsible.**

**Date:** \_\_\_\_\_  
.....  
Signature of Sole/First Holder

In case the Public Shareholder is not in a position to give blank “cancelled” cheque or a Xerox copy of the, a certificate of the Public Shareholder’s bank may be furnished as under:

**Certificate of the Public Shareholder’s Bank**

(To be submitted only if blank “cancelled” cheque or a Xerox copy thereof is not enclosed)

Certified that the particulars furnished above are correct as per our records.

Bank’s Stamp: -----

**Date:** \_\_\_\_\_  
.....  
**Signature of the Authorized Official of the Bank**

