OPEN OFFER OPENING PUBLIC ANNOUNCEMENT UNDER REGULATION 18(7) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEROVERS) REGULATIONS, 2011 ("SEBI TAKEOVER REGULATIONS") AND CORRIGENDUM TO THE DETAILED PUBLIC STATEMENT

FOR THE ATTENTION OF THE ELIGIBLE SHAREHOLDERS OF REGALIAA REALTY LIMITED ("TARGET COMPANY"/ "RRL")

having its registered office at No. 10, Tarapore Avenue, Harrington Road, Chennai, Tamil Nadu 600 031

CIN: L70101TN1994PLC028978

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Open Offer for acquisition of 9,36,000 Equity Shares from the Shareholders of Regaliaa Realty Limited ("**Target Company**") by Karvy Financial Services Limited ("**Acquirer**")

This Open Offer Opening Public Announcement ("**Open Offer Public Announcement**") and Corrigendum to Detailed Public Statement ("**Corrigendum**") is being issued by **akasam consulting private limited** (the "**Manager to the Offer**"), for and on behalf of the Acquirer, in respect of the Open Offer to acquire equity shares of the Target Company. The Detailed Public Statement ("**DPS**") with respect to the aforementioned offer was published on September 07, 2018 in Financial Express (English) (All Editions), Jansatta (Hindi) (All Editions), Lakshya Deep (Marathi) (Mumbai Edition) and Makkal Kural (Tamil) (Chennai Edition). The Open Offer Public Announcement, the Corrigendum shall be read along with and in conjunction with the Public Announcement dated August 31, 2018 ("**Public Announcement**"), DPS, Draft Letter of Offer dated September 17, 2018 ("**DLoF/Draft Letter of Offer**") Letter of Offer dated February 17, 2020 ("**LoF/Letter of Offer**")

The shareholders of the Target Company are requested to kindly note the following:-

1. **Offer Price for Original Shareholders and Other Shareholders:** As per the order passed by the Whole Time Member, the Securities and Exchange Board of India, bearing reference number WTM/RKA/EFD/165/2016 dated October 27, 2016 ("**SEBI Order**"), in respect of the shareholders who were holding shares in the Target Company on the date of invocation i.e., on February 16, 2012 and whose shares would be accepted in the Open Offer ("**Original Shareholders**") whose Shares are tendered and accepted under the Offer, the Acquirer shall, along with the Offer Price of ₹ 11.50/-, pay an interest of ₹ 9.05/- (calculated @ 10% per annum from February 16, 2012 to March 27, 2020). Accordingly, the consideration payable to the Original Shareholders would be ₹ 20.55 per Share which includes an interest of ₹ 9.05 per Share on ₹ 11.50/- per Share. In respect of the Other Shareholders, the Offer Price would be ₹ 11.50/- per share.
2. **Interest Payment and Determination of Original Shareholders:**

a. The interest of ₹ 9.05/- (calculated @ 10% per annum from February 16, 2012 to March 27, 2020) per Share along with the Offer Price of ₹ 11.50/- per Share is payable to Original Shareholders. Such interest is payable only to Original Shareholders, i.e., those who were shareholders of the Target Company as on February 16, 2012 and continue to be shareholders of the Target Company till the date of the closing of the Offer and will be calculated on the payment consideration due on such of those Shares accepted under this Offer which are determined as forming part of their holdings as on February 16, 2012.

3. The total fund requirement for the Offer ('**Maximum Consideration**'), assuming the full acceptance of the Offer i.e. 9,36,000 at ₹ 20.55/- per share, would be ₹ 1,92,62,080 /- (Indian Rupees One Crore Ninety Two Lakhs Sixty Two Thousand and Eighty only). Pursuant to Regulation 17(2) of the SEBI Takeover Regulations, in case of upward revision of Offer Size, the value of the Escrow Amount is required to be calculated for the Revised Offer Size and the additional amount is required to be brought into the Escrow Account prior to effecting such revision. Accordingly, in light of the revision in Offer Size, the Acquirer has deposited additional amount of ₹ 14,50,000 (Rupees Fourteen Lakhs Fifty Thousand only) ("**Additional Escrow Amount**"), such that the aggregate amount of both the Escrow Amount (i.e. Additional Escrow Amount and Escrow Amount) is more than the minimum prescribed amount of 25% (twenty five percent) of the Revised Maximum Consideration calculated in accordance with Regulation 17(1) of the SEBI Takeover Regulations. The Manager to the Offer has been duly authorized to realize the value of the Additional Escrow Amount, Escrow Amount, as well as to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI Takeover Regulations.
4. Certificate dated February 13, 2020 from Mr. Madhusudhana Reddy K.S. (Membership Number: 231770) Partner of M/s S S M S & Co, Chartered Accountants Firm Registration No. 014358S having office at SRT - 481, Near Neena High School, Sanath Nagar, Hyderabad - 500 018, Tel No:- +91 9849651060, certifying that the Acquirer has adequate resources and capability to meet its financial obligations under the Offer pursuant to the Revised Offer Size.
5. **Miscellaneous**
   - This is not a competing offer.
   - The Letter of Offer has been dispatched to all the Eligible Shareholders of RRL whose names appear in its Register of Members on February 11, 2020, Tuesday, the Identified Date.
   - The LoF along with the Form of Acceptance cum Acknowledgement is also available on SEBI's website www.sebi.gov.in, and BSE's website, www.bseindia.com and shareholders can also apply by downloading such forms from the websites of SEBI and BSE.
   - **In the case of Equity Shares held in physical form:** As per the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, the transferability of physical shares is disallowed after March 31, 2019 and as the tendering period in this Open Offer would open from February 27, 2020, Thursday, hence, the Acquirer would not be able to accept any shares tendered in physical form under Open Offer.
   - **Please refer to the LoF for the detailed procedure for acceptance and settlement of Offer and procedure for tendering equity shares held in dematerialised form.**
6. **Revised and Original schedule of activities pertaining to the Offer:**

Nature of the Activity	Original		Revised	
	Date	Day	Date	Day
Date of Public Announcement	August 31, 2018	Friday	August 31, 2018	Friday
Publication of Detailed Public Statement in newspapers	September 7, 2018	Friday	September 7, 2018	Friday
Filing of draft letter of offer with SEBI along with soft copies of Public Announcement and detailed Public Statement	September 17, 2018	Monday	September 17, 2018	Monday
Last date for a competing offer	October 3, 2018	Wednesday	October 3, 2018	Wednesday
Last date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	October 10, 2018	Wednesday	February 7, 2020	Friday
Identified Date*	October 12, 2018	Friday	February 11, 2020	Tuesday
Last date for dispatch of the Letter of Offer to the Eligible Shareholders of the Target Company as on the identified Date	October 22, 2018	Monday	February 18, 2020	Tuesday
Last date for upward revision of the Offer Price and / or the Offer Size	October 23, 2018	Tuesday	February 26, 2020	Wednesday
Last date by which the recommendation of the committee of independent directors of the Target Company will be published.	October 24, 2018	Wednesday	February 24, 2020#	Monday
Date of public announcement for opening of the Offer in the newspapers where the Detailed Public Statement has been published.	October 26, 2018	Friday	February 26, 2020	Thursday
Date of Commencement of tendering period	October 29, 2018	Monday	February 27, 2020	Thursday
Date of Closing of tendering period	November 13, 2018	Tuesday	March 12, 2020	Thursday
Last date of communicating rejection / acceptance and payment of consideration for accepted tenders / return of unaccepted Equity Shares.	November 29, 2018	Thursday	March 27, 2020	Friday

**** The Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all owners (registered or unregistered) of equity shares of the Target Company (except the Acquirer & the Promoters) are eligible to participate in the Offer any time before the closure of the tendering period.***

 # The Manager to the Offer has requested the Target Company to provide recommendations of the committee of the independent directors ("IDC") with reasoned recommendations on such open offer in accordance with sub regulation (6) of regulation 26 (Obligations of the Target Company) of SEBI Takeover Regulations. However, neither the Acquirer nor the Manager to the Offer has received any confirmation on the compliance of the said regulation and hence the details of IDC recommendations are not included in this Advertisement.

The revised schedule of activities have been incorporated in the Letter of Offer dated February 17, 2020 ("**LoF**") at all relevant places.

7. All Observations received from SEBI vide letter dated February 7, 2020 bearing reference no SEBI/HO/CFD/DCR-2/OW/P/2020/5129/1 duly in terms of Regulation 16(4) of the SEBI Takeover Regulations upon submission of Draft Letter of Offer dated September 17, 2018 ("**DLoF**") are duly incorporated in the Letter of Offer.
8. **Material updates since the date of the Public Announcement/DPS /DLoF:**

8.1 Subsequent to the filing of the Draft Letter of Offer with SEBI by the Manager to the Offer in accordance with the provisions of SEBI Takeover Regulations, Mr. D. Sudhakar Reddy, the promoter of the Target Company, has vide his email dated October 4, 2018 addressed to SEBI, raised certain objections/allegations by way of a complaint ("**Complaint**") in relation to the Offer. The objections raised by Mr. D. Sudhakar Reddy in the above stated e-mail interalia are as follows:

- This was not approved by us & was prepared by the Managers to the offer under the instructions of KFSL - The Acquirer. This Letter of Offer contains a lot of false information & is not based on facts.
- The shares provided as pledge to KFSL by the promoter group are as additional collateral and not the main security / collateral against the loan sanctioned by KFSL.
- The consolidated sanction letter of KFSL for loan facility dated May 31, 2011 clearly states the securities offered by RRL as prime securities and no where it is mentioned about the shares pledged by the promoters as collateral or security.
- The term of the loan was 12 months at the rate of 24% interest/annum, which will mean the principal is due on 30th May 2012 and interest was due on a monthly basis. The interest cheques for the period ending December 31, 2011 was dishonoured and the amount was only Rs. 12,84,164/-.
- KFSL transferred all the following shares of the promoters by invoking the pledge, on February 16, 2012 without informing / given any intimation about the invoking of the pledge by KFSL

Name of the promoters	Number of shares	Amount (In Rs.)
D. Sudhakara Reddy	9,76,340	1,36,49,233
D. Usha Reddy	7,39,300	1,03,35,414
D. Deeptha	2,84,460	39,76,751
Total		**2,79,61,398**

- Going by the value of the shares, as shown above & the amount that was due to them as overdue interest at the time of invoking, was a measly amount of Rs. 12,84,164/- & what prompted them to invoke the pledge of shares to the extent of 55.56% of the paid up capital of RRL valued at Rs. 2,79,61,398/-. It is to be noted that the shares given on pledge were only as an additional collateral & the primary securities were always available to them to claim their overdues. Whereas by their action dated 16/02/2012, the company ownership has changed from the original promoters of RR Ltd to KFSL by virtue of their owning a majority voting shares to the extent of 55.56%. Infact we could't keep up our commitments for payment of interest amounts primarily due to the fact that the Land owner unilaterally cancelled the Power of Attorney given in favour of RRL, on 11/11/2011 and left us in a lurch inspite of his giving us an Irrevocable power of attorney .This was done in collusion with KFSL & it's CEO.
- It is alleged that the Acquirer has taken over the majority share holding of RRL on February 16, 2012 and hence all expenses related to the day to day management of RRL have fallen in their hands.
- The MoU was valid for 180 days as per clause no. 5 (f). The MoU became infructuous at the end of 180 days i.e August 6, 2016. While the Acquirer has mentioned that there are various issues to be settled between the promoters and KFSL as per MOU, KFSL was not specific in connection with transfer of shares back to the promoters. KFSL has not disclosed the fact that SEBI has issued a show cause notice and KFSL has lost the case under Regulation 3 (1) and Regulation 11 (1) of the of the SEBI Takeover Regulations.
- They shied away to fullfil their side of the commitments as per MOU, till RBI while going thro routine inspection found that the dues of RRL were to be treated as an NPA. Then they came rushing to us with a request in October 2016 after the expiry of the MOU, to transfer the Villas offered to them in full & final settlement of the Loan amount due from RRL .We gave them consent to approach the Land owner & get the needful done. In this process the entire loan amount of RRL came out of NPA and thus helped them to satisfy the RBI.
- The Acquirer has given a letter dated October 7, 2016 and stated that the Loan has been settled and that there are no dues from RRL or its promoters, which are payable to the Acquirer. But there is no mention of the shares even in this letter.
- From our point of view, they are the owners of the company & that they should pay for the value of shares illegally transferred by them at the price prevalent on the date of transfer or acquisition. They should pay at the same interest rate of 24% from the date of transfer ie 16/02/2012 to till the date of full payment, The value of shares along with interest is paid to the 3 promoters.
- Though KFSL had assumed the controlling stake in the company RRL right from 16/02/2012 the burden of continuing to manage the company, as it's a listed company with more than 1,100 share holders and has to meet several statutory obligations incl the Day to Day expenses fell on the original promoters .They have incurred a huge amount of Rs. 4.33 crores & this amount is reflected in the balance sheet of RRL & has to be reimbursed along with interest to the undersigned. This amount including interest totals to Rs. 9.23 crores.
- We have made a claim to that effect with KFSL as soon as the order of SAT was passed there is no mention of this and many other points in the Draft open offer letter made to public shareholders nor we have received any response from KFSL.
- Mr. D. Sudhakar Reddy had requested for a personal hearing with senior officials of SEBI before allowing them to proceed any further with their Open offer to the public shareholders of RRL.

The above allegations have already been settled through Arbitration. Upon the promoters approaching Hon'ble High Court of Bombay and Parties have entered into an MOU to settle their disputes as mentioned herein above.

- The Acquirer through the Manager to the Offer has submitted its response to the Complaint to SEBI vide its email dated October 24, 2018. In the said responses, the Acquirer has vehemently denied and disputed the above allegation of the Promoter, Mr. D. Sudhakar Reddy. The said responses have been taken on file by SEBI. The Manager to the Offer has stated that the PA, DPS and Letter of Offer (collectively referred to as the "Offer Documents") have been prepared under the provisions of SEBI Takeover Regulations, based on the information provided by the Acquirer, Target Company, Registrar and Transfer Agent to the Target Company and from the data available in the public domain. The said responses have been taken on file by SEBI. Further the Manager to the Offer and the officials of the Acquirer have also attended the personal hearing called for by the SEBI.

8.2 The present Board of Directors of the Acquirer is updated in the LoF.

8.3 We have disclosed the brief financial details of the Acquirer for the financial years ended 2016-2017, 2017-2018, 2018-2019 (audited) and for the period ended September 30, 2019 (unaudited) in the LoF as considerable amount of time has passed subsequent to the publication of the DPS and DLoF. We had disclosed the financial details of the Acquirer for the financial years ended 2015-2016, 2016-2017 and 2017-2018 (audited) in the DPS and DLoF.

8.4 We have disclosed the financial details of the Target Company for the financial years ended 2016-2017, 2017-2018, 2018-2019 (audited) and for the period ended December 31, 2019 (unaudited) in the LoF as considerable amount of time has passed subsequent to the publication of the DPS and DLoF. We had disclosed the financial details of the Target Company for the financial years ended 2015-2016, 2016-2017 and 2017-2018 (audited) in the DPS and DLoF.

8.5 The present Board of Directors of the Target Company is updated in the LoF.

8.6 The Acquirer vide its letter dated October 25, 2019 has intimated SEBI and BSE stating that as per the shareholding patterns filed by the Target Company for the quarter ended March 31, 2019, June 30, 2019 and September 30, 2019 ("**Quarters**") with BSE, the Target Company has classified the Acquirer as the "**Promoter**" without our consent and are consequently mentioned under the category "**Promoter/Promoter Group**" of the Target Company in the shareholding pattern for the respective Quarters. Further, the Acquirer also understands that the Target Company is in violation of the provisions of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**SEBI LODR Regulations**"), which stipulates the conditions required to be adhered by the promoter and the Target Company for reclassification of any person as promoter/public. In accordance with sub regulation 2 of Regulation 31A of SEBI LODR Regulations, re-classification of the status of any person as a promoter or public shall be permitted by the stock exchanges only upon receipt of an application from the listed entity along with all relevant documents subject to compliance with conditions specified in SEBI LODR Regulations.

8.7 The Adjudicating Officer, SEBI vide adjudication order number Order/MC/DS/2019-20/6201 dated December 23, 2019 had imposed a penalty of Rs. 5,00,000/- (Rupees Five Lakhs only) on the Acquirer for violation of Regulation 29(1) read with Regulation 29(3) of SEBI Takeover Regulations and Regulation 13(1) of SEBI (Prohibition of Insider Trading) Regulations, 1992 ("**PIT Regulations**") i.e delay in disclosure of invocation of the Pledged Shares of the Target Company by the Acquirer on February 16, 2012 to BSE and to the Target Company for a period of 6 years and 11 months. The Acquirer has made the payment on December 26, 2019.

8.8 The Acquirer has not complied with the Regulation 30(1) of SEBI Takeover Regulations, i.e., continual disclosure of their aggregate shareholding to the stock exchange. SEBI may initiate action against the Acquirer for such non-compliance.

8.9 The Adjudicating Officer, SEBI vide adjudication order number Order/MC/DS/2019-20/5748 dated November 28, 2019 had imposed a penalty of Rs. 2,00,000/- (Rupees Two Lakhs only) on the Target Company for violation of Regulation 8A(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("**SEBI Takeover Regulations, 1997**"), i..e failure to make disclosure to BSE on creation of encumbrance over the shares held by the promoters of the Target Company within 7(seven) working days of the receipt of information under Regulation 8A(2) of SEBI Takeover Regulations, 1997.

8.10 The Manager to the Offer vide its email dated November 1, 2019 has intimated to SEBI that the Target Company and the promoters, Mr. D Sudhakar Reddy and Ms. D. Deeptha Reddy have filed a civil suit bearing number 472 of 2019 before the Hon'ble High Court of Judicature at Madras against the Acquirer. The primary allegations made by the plaintiffs against KFSL in the said petition inter-alia are as under:

- The Acquirer has not performed its part of obligation in full in accordance with the terms of the Memorandum of Understanding dated February 8, 2016 ("MoU"). It is further alleged by the plaintiffs that, the Acquirer has not transferred the said shares (20,00,100 shares) in the name of promoters as per the terms of the MoU despite regular follow ups. The same is disclosed in clause 3.1.2 (Background of the Offer) of the DLoF and also in the Letter of Offer.
- pursuant to the invocation of the pledge, the Target Company has become a subsidiary of KFSL and majority of voting rights in RRL to the extent of 55.56% has gone in favour of KFSL. It is also alleged that Acquirer did not take the responsibilities of managing the affairs of the Target Company and all the responsibilities of managing the affairs of the Target Company were thrusted in the hands of plaintiff 2 and plaintiff 3. It is further alleged that there were various statutory obligations including day to day expenses which the Target Company has incurred which amounts to a sum of Rs. 4.33 crore till March 2019. It is also alleged without any basis that plaintiff 2 had no other option left but to borrow huge sums of money in order to meet the statutory compliances.
- KFSL had kept the Plaintiffs in a state of darkness with respect to show cause notice issued by the SEBI with respect to acquisition of shares, while executing the MoU in the year 2016 and the invocation of pledge is a complete violation of RBI and SEBI guidelines.
- The Acquirer believes that the allegations made by the plaintiffs are baseless and frivilous.

8.11 Except as stated above, save as otherwise disclosed in the DPS, this Corrigendum and the LoF, there have been no other material updates in relation to the Open Offer since the date of the PA.

8.12 Equity shares once tendered through the Form of Acceptance or through other valid modes in the Offer cannot be withdrawn by the shareholders in terms of Regulation 18(9) of the SEBI Takeover Regulations.

8.13 To the best of knowledge of the Acquirer, no statutory approvals are required by them to complete the Offer. However, in case of any statutory approvals, being required at a later date, this Offer will be subject to such approvals.

8.14 The equity shareholders of Regaliaa Realty Limited are requested to note that amendments with respect to and in connection with PA and LOF for Open Offer .

8.15 As set out in clause VIII (5) of the DPS, details of the Acquirer's Broker stands substituted and should be read as follows:-

R.L.P. Securities Private Limited
(SEBI Regd No. INZ 000166638)
Address: 402, Nirmal Towers, Dwarakapuri Colony, Punjagutta, Hyderabad, Telangana – 500 082.
Contact Person: Mr.Ch.Varaparasad,
Ph No. +91 40 23352485; Fax: +91 40 23351238
Email: rlp_vpir@yahoo.com

8.16 The Acquirer shall do the purchases and settlement on account of the Open offer through the above mentioned Buying Broker (i.e., R.L.P Securities Private Limited).

This Offer Opening Public Announcement and Corrigendum will be available on the website of the Securities and Exchange Board of India at www.sebi.gov.in.

Capitalized terms used in this Offer Opening Public Announcement, but not defined, shall have the same meaning assigned to them in the PA, DPS and the LoF.

Other Information

The Acquirer and the Managing Director of the Acquirer accept full responsibility for the information contained in this Offer Opening Public Announcement and Corrigendum and also for the obligation of the Acquirer as stipulated in SEBI Takeover Regulations.

All the information pertaining to the Target Company has been obtained from publicly available sources and their accuracy of the same has not been verified by the Acquirer and / or the Manager to the Offer.

Issued by the Manager to the Offer on behalf of the Acquirer

akasam®
transcending horizons

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Contact Person: Ms. Durga Poornima A
E-mail Id: poornima@akasamconsulting.com **Website:** www.akasamconsulting.com
SEBI Registration Number: INM000011658

On behalf of Karvy Financial Services Limited (Acquirer)
Sd/-
Authorised Signatory

Date: February 25, 2020
Place: Mumbai

Size: 33x38