



October 19, 2018

The Board of Directors
IDBI Bank Limited
IDBI Tower
WTC Complex, Cuffe Parade
Mumbai – 400 005

Kind Attn: Mr. Pawan Agrawal, Company Secretary

Re: Open offer for acquisition of 2,04,15,12,929 fully paid-up equity shares of face value of ₹10 (Rupees Ten) each (“Equity Shares”) of IDBI Bank Limited (“Target Company”) by Life Insurance Corporation of India (“Acquirer”) from the Equity Shareholders of the Target Company (“Open Offer” or “Offer”).

With regard to the captioned Open Offer, the Acquirer has appointed ICICI Securities Limited, as the Manager to the Offer pursuant to and in accordance with, Regulation 12(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“SEBI (SAST) Regulations”).

Pursuant to and in compliance with Regulations 3(1), 4, read with Regulations 13(2)(g) and 15(1), and other applicable regulations of the SEBI (SAST) Regulations, the Acquirer had issued a public announcement dated October 4, 2018 in relation to the Open Offer. A detailed public statement dated October 10, 2018 (“DPS”) was published on October 11, 2018 in all the editions of the Financial Express (English), all the editions of Jansatta (Hindi), and in the Mumbai edition of Navshakti (Marathi). Further, the Acquirer has filed the draft letter of offer dated October 19, 2018 for the captioned Offer (“DLOF”) with the Securities and Exchange Board of India on October 19, 2018.

As required under Regulation 18(1) of the SEBI (SAST) Regulations, 2011, please find enclosed a copy of the DLOF for your record.

You are requested to take note of the above and the obligations of Board of Directors of Target Company in terms of Regulation 24 of the SEBI (SAST) Regulations, and the obligations of Target Company in terms of Regulation 26 of the SEBI (SAST) Regulations.

For and on behalf of ICICI Securities Limited

Authorized Signatory
Name: Sameer Purohit
Designation: Assistant Vice President

Member of National Stock Exchange of India Ltd & Bombay Stock Exchange Ltd
Capital Market NSE Regn No INB 230773037, BSE Regn No INB 011286854
Futures & Options NSE Regn No INF 230773037, BSE Regn No INF 010773035
Currency Derivatives NSE Regn No INE 230773037
CIN No. L67120MH1995PLC086241

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Name of Compliance Officer (Broking Operations) : Ms. Mamta Jayaram Shetty
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Website Address: www.icicisecurities.com / www.icicidirect.com



DRAFT LETTER OF OFFER

“THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION”

This draft letter of offer (“**Draft Letter of Offer**”/ “**DLoF**”) is sent to you as an Equity Shareholder (as defined below) of IDBI Bank Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer / Registrar to the Offer (as defined below). In case you have recently sold your Equity Shares (as defined below) in the Target Company, please hand over this DLoF, the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Form (Form SH-4) to the member of stock exchange through whom the said sale was effected.

Open Offer (“Offer”)

by

LIFE INSURANCE CORPORATION OF INDIA

Corporate Office: Yogakshema Building, Jeevan Bima Marg, Mumbai, Maharashtra - 400 021, India

Tel. No.: (022) 6659 8690; **FAX:** (022) 2282 6959

(hereinafter referred to as “**Acquirer**”)

TO ACQUIRE FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) NUMBERING 2,04,15,12,929 AND REPRESENTING 26% OF THE FULLY DILUTED VOTING SHARE CAPITAL (AS DEFINED BELOW) OF IDBI BANK LIMITED (“TARGET COMPANY”), FROM THE EQUITY SHAREHOLDERS (AS DEFINED BELOW) OF

IDBI BANK LIMITED

Registered Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai, Maharashtra - 400 005, India

CIN: L65190MH2004GOI148838; **Tel. No.:** (022) 66552779; **Fax No.:** (022) 22188629

AT A PRICE OF ₹61.73 (“OFFER PRICE”) PER EQUITY SHARE PAYABLE IN CASH PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO (“SEBI (SAST) REGULATIONS”)



Notes:

1. This Offer (as defined below) is being made by the Acquirer pursuant to Regulations 3(1) and 4 of the SEBI (SAST) Regulations for acquisition of a controlling stake of up to 51% of the Fully Diluted Voting Share Capital of the Target Company.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the acquisition of the Offer Shares (as defined below) that are validly tendered pursuant to the Offer or to complete this Offer other than as indicated in Paragraph 8 (*Statutory and Other Approvals*). However, in case any statutory approvals are required at a later date before the closure of the Tendering Period (as defined below), this Offer shall be subject to such further approvals being obtained.
5. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that the approvals (whether in relation to the acquisition of Equity Shares of the Target Company constituting the Offer Shares or the Preferential Issue) specified in this DLoF as set out in Paragraph 8 (*Statutory and Other Approvals*) or those which become applicable prior to completion of the Offer are not received, then the Acquirer shall be constrained to withdraw the Offer and not proceed with the Preferential Issue. In the event of such a withdrawal of the Offer, the Acquirer (through the Manager to the Open Offer) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations. Further, as disclosed in the PA, DPS and explained below in Paragraph A(a) under "Risk Factors Relating to the Offer", on page 6 of this DLoF, the Preferential Issue and the Offer shall also be subject to any further and/or final order, judgment that may be issued by the Hon'ble High Court of Delhi or any other court.
6. The Acquirer shall complete all procedures relating to this Offer within ten Working Days (as defined below) from the date of closure of the Tendering Period (as defined below), including payment of consideration to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
7. In case of delay/non-receipt of any approval which may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Equity Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations. Where the statutory approvals extend to some but not all the Equity Shareholders, the Acquirer will have the option to make payment to such Equity Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
8. If there is any upward revision in the Offer Price (as defined below) or the size of the Offer at any time up to the last one Working Day prior to commencement of the Tendering Period i.e. any time up to November 30, 2018 in terms of Regulation 18(4) of SEBI (SAST) Regulations, then the Acquirer shall (a) announce such increase by way of a public announcement in the Newspapers; (b) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such upward revision; and (c) make corresponding increase to the escrow amount. The revised price payable pursuant to such revision of the Offer Price would be payable for all the Equity Shares validly tendered at any time during the Tendering Period and accepted under the

Offer.

9. There is no competing offer as on the date of this Draft Letter of Offer.
10. If there is a competing offer, the offers under all subsisting bids will open and close on the same date.
11. A copy of Public Announcement (“PA”), Detailed Public Statement (“DPS”), Draft Letter of Offer and Letter of Offer (“LoF”) (including Form of Acceptance-cum-Acknowledgement) will be available on the website of Securities and Exchange Board of India (“SEBI”) at <http://www.sebi.gov.in>.

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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai - 400 020 Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: idbi.openoffer@icicisecurities.com Website: www.icicisecurities.com Contact Person: Sameer Purohit/ Anurag Byas SEBI Registration Number: INM000011179</p>	 <p>Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana 500 032, India Telephone number: +91 40 6716 2222 Fax number: +91 40 2343 1551 E-mail: idbi.openoffer@karvy.com Investor Grievance E-mail: einward.ris@karvy.com Website: www.karvycomputershare.com Contact Person: M Murali Krishna SEBI Registration Number: INR000000221</p>

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Date	Day
PA	October 4, 2018	Thursday
Publication of this DPS	October 11, 2018	Thursday
Filing of the draft letter of offer with SEBI	October 19, 2018	Friday
Last date for public announcement for competing offer(s)	November 2, 2018	Friday
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 to the Offer)	November 13, 2018	Tuesday
Identified Date*	November 15, 2018	Thursday
Last date by which the LOF is to be dispatched to the Equity Shareholders whose name appears on the register of members on the Identified Date	November 26, 2018	Monday
Date by which the committee of the independent directors of the Target Company shall give its recommendation to the Equity Shareholders for this Offer	November 28, 2018	Wednesday
Last date for upward revision of the Offer Price/the size of the Offer	November 30, 2018	Friday
Date of publication of opening of Offer public announcement in the newspapers in which this DPS has been published	November 30, 2018	Friday
Date of commencement of the tendering period	December 3, 2018	Monday
Date of closure of the tendering period	December 14, 2018	Friday
Last date for payment of consideration to Shareholders	December 31, 2018	Monday
Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published	January 7, 2019	Monday

**Date falling on the tenth Working Day prior to commencement of the Tendering Period, for the purposes of determining the Equity Shareholders of the Target Company to whom the LOF shall be sent. It is clarified that all the Equity Shareholders are eligible to participate in this Offer at any time prior to the closure of the Tendering Period.*

Identified Date is only for the purpose of determining the names of the Equity Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except the Acquirer) are eligible to participate in the Offer any time before the Offer Closing Date

The schedule of activities mentioned above is tentative and is subject to change for any reasons, including for delay in receipt of statutory approvals or comments from regulatory authorities.

RISK FACTORS RELATING TO THE PROPOSED OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER:

Set forth below are the risk factors relating to the Offer and the probable risks involved in associating with the Acquirer and are not in relation to the present or future business operations of the Target Company or any other related matters. These risk factors are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation or otherwise by the Equity Shareholders in this Offer, but are merely indicative. The Equity Shareholders are advised to consult their stock broker or legal, financial, tax or investment advisors/ consultants, if any, for analysing and understanding all the risks with respect to their participation in this Offer and related sale and transfer of Equity Shares.

For capitalized terms used herein, please refer to the section on Definitions set out below.

A. Risk Factors relating to the Offer

- a. A writ petition is pending before the Hon'ble High Court of Delhi, titled *All India IDBI Officers Association v. Union of India and others* (W.P. (C) 8842/2018) ("Writ Petition"), and at present there is no judgment, prohibitory order or the like from the Hon'ble High Court of Delhi, or any other court affecting the Preferential Issue or the Offer. Accordingly, the Preferential Issue and/or the Offer shall be subject to any further and/ or final order, judgment that may be issued by the Hon'ble High Court of Delhi, or any other court. Accordingly, if in the future there is any further and/ or final order or the like passed by the Hon'ble High Court of Delhi in relation to the said Writ Petition or by any other court which affects the Preferential Issue and/ or the Offer, the Acquirer shall be constrained to not complete the Preferential Issue in accordance with SEBI (ICDR) Regulations or withdraw this Offer in accordance with the SEBI (SAST) Regulations. In the event of such a withdrawal of the Offer, the Acquirer (through the Manager to the Offer) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds and reasons for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- b. To the best of Acquirer's knowledge, the Offer is not subject to the receipt of any statutory, regulatory and/ or other approvals other than as provided in Paragraph 8 (*Statutory and Other Approvals*) of this DLoF. In the event that any statutory approvals are required by the Acquirer at a later date prior to the completion of this Offer, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. If, (i) there is a delay in receipt of any applicable statutory approvals; (ii) any other statutory approvals are required by the Acquirer at a later date, the Offer shall be subject to such approvals and the Acquirer shall make necessary applications for such regulatory or statutory approvals and such approvals are not received in time; (iii) there is an order of a governmental authority or a litigation leading to a stay or an injunction on the Offer or that restricts the Acquirer to from performing its obligations hereunder; or (iv) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Equity Shareholders whose Equity Shares have been accepted in this Offer as well as return of the Equity Shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approval(s) in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not on account of any wilful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of this Offer subject to the Acquirer agreeing to pay interest to the Equity Shareholders, as may be specified by SEBI. Where the required statutory approvals apply to some but not all of the Equity Shareholders, the Acquirer will have the option to

make payment to such Equity Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

- c. The tendered Equity Shares in physical form with the related documents submitted therewith would be held in trust by the Registrar to the Offer until the process of acceptance of Equity Shares tendered and payment of consideration to the Equity Shareholders is completed.
- d. Equity Shares cannot be withdrawn once tendered, even if the acceptance of Equity Shares under the Offer and dispatch of consideration is delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. The Equity Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer notwithstanding delay in acceptance of the Equity Shares in this Offer and dispatch of payment consideration. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Equity Shareholders on whether or not to participate in this Offer.
- e. In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis as per SEBI (SAST) Regulations and hence there is no certainty that all Equity Shares tendered by the Equity Shareholders in the Offer will be accepted.
- f. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, DPS, DLoF, LoF, opening of Offer public announcement or in the post Offer advertisement or any corrigendum thereto or any materials (including any Offer related materials) issued by or at the instance of the Acquirer or the Manager to the Offer in relation to the Offer, and anyone placing reliance on any other sources of information (not released by or at the instance of the Acquirer) would be doing so at his / her / its own risk.
- g. If the holders of the Equity Shares who are not persons resident in India (including NRI, OCBs and FPIs) were required to obtain 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, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Equity Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or on non-repatriable basis.
- h. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe the applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America
- i. The Equity Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this 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 does not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

B. Risk Factors relating to the Acquirer

- a. The Acquirer and Manager to the Offer make no assurance with respect to the present financial performance or the future financial performance of the Target Company and disclaim any responsibility with respect to any decision by the Equity Shareholders on whether or not to participate in the Offer.
- b. The Acquirer and the Manager to the Offer make no assurance with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- c. The Acquirer and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of the Offer.
- d. The acquisition of the Offer Shares shall result in the public shareholding in the Target Company falling below the minimum public shareholding required under Rule 19 and Rule 19A of the SCRR read with SEBI (LODR) Regulations. While the Target Company will be required to decrease the non-public shareholding to the level specified and within the time stipulated under the SCRR, as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and, or, the SEBI (LODR) Regulations, any failure to comply with the aforesaid regulations could have an adverse impact on the price and tradability of the Equity Shares.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to “₹” are references to the Indian Rupees. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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1. DEFINITIONS

Acquirer	Life Insurance Corporation of India
Acquisition Window	As has been defined in paragraph 9.5 of this DLoF
Bank Guarantee	As has been defined in paragraph 6.2.3 of this DLoF
BR Act	Banking Regulation Act, 1949 as amended or modified from time to time
Buying Broker	As has been defined in paragraph 9.7 of this DLoF
BSE	BSE Limited
CCI	Competition Commission of India
CKYC	Central Know Your Client
Clearing Corporation	Clearing Corporation of stock exchanges
CDSL	Central Depository Services (India) Limited
Depositories	CDSL and NSDL
Designated Stock Exchange	As has been defined in paragraph 9.6 of this DLoF
DLoF/ Draft Letter of Offer	This Draft Letter of Offer dated October 19, 2018
DPS/ Detailed Public Statement	Detailed Public Statement, dated October 10, 2018 issued by the Manager to the Offer, on behalf of the Acquirer in relation to the Offer and published in Newspapers on October 11, 2018 in accordance with Regulation 3(1) and Regulation 4 read with Regulations 13(4) and 15(2) of the SEBI (SAST) Regulations
DIN	Director Identification Number
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
EPS	Earnings per share
Equity Share(s)	Fully paid-up equity shares of Target Company of face value of ₹10 each
Equity Shareholders	All the shareholders of the Target Company, other than the Acquirer
Escrow Account	As has been defined in paragraph 6.2.2 of this DLoF
Escrow Agreement	As has been defined in paragraph 6.2.2 of this DLoF
Escrow Bank	As has been defined in paragraph 6.2.2 of this DLoF
Form of Acceptance cum Acknowledgement	Form of Acceptance cum Acknowledgement attached to the LoF
Fully Diluted Voting Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis as of the 10 th (Tenth) Working Day from the closure of the tendering period for the Offer. This includes up to 3,33,08,86,129* Equity Shares to be allotted by the Target Company to the Acquirer in terms of the Preferential Issue (as defined below), subject to the approval of the shareholders of the Target Company as well as receipt of statutory and other approvals <i>* The number of Equity Shares to be subscribed by way of the Preferential Issue has been calculated assuming that the Equity Shareholders do not tender any Equity Shares in the Offer. Accordingly, if the Equity Shareholders do tender any Equity Shares in the Offer, then such number of Equity Shares may reduce in order to ensure that the Acquirer holds not more than 51% of the Fully Diluted Voting Share Capital upon completion of the Offer and the Preferential Issue.</i>
FEMA	The Foreign Exchange Management Act, 1999 and the rules and

	regulations framed thereunder, as amended or modified from time to time
FII	Foreign Institutional Investors
FPI	Foreign Portfolio Investor as defined under FEMA
GAAR	General Anti-Avoidance Rule
HUF	Hindu Undivided Family
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent
Income Tax Act	Income Tax Act, 1961
IRDA	Insurance Regulatory and Development Authority of India
KRA	KYC Registration Agency
KYC	Know Your Client
K.J. Sheth & Associates	As has been defined in paragraph 6.2.4 of this DLoF
Letter of Offer or LOF	Letter of Offer dated [•] (duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance cum Acknowledgement)
LTCG	Long Term Capital Gains
Manager to the Offer	ICICI Securities Limited
Newspapers	Financial Express (English - all editions), Jansatta (Hindi - all editions) and Navshakti (Marathi - Mumbai edition), being the newspapers wherein the DPS was published on behalf of the Acquirer on October 11, 2018.
NOC	No Objection Certificate
NRI	Non-Resident Indian as defined under FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)	Overseas Corporate Bodies
Offer	Open offer for acquisition of Equity Shares numbering 2,04,15,12,929 and representing 26% of the Fully Diluted Voting Share Capital of the Target Company at the Offer Price, payable in cash
Offer Consideration	₹1,26,02,25,93,107
Offer Period	The period between the date on which the PA was made and the date on which the payment of consideration to the Equity Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	₹61.73 per Equity Share
Offer Shares	2,04,15,12,929 Equity Shares constituting 26% of the Fully Diluted Voting Share Capital of the Target Company
PAN	Permanent Account Number
PA/Public Announcement	The Public Announcement in connection with the Offer which was issued by the Manager to the Offer on behalf of the Acquirer on October 4, 2018 to the BSE and NSE, and a copy thereof was filed with SEBI and sent to the registered office of the Target Company.
Postal Ballot Notice	As defined in paragraph 3.1.2 of this DLoF
Preferential Issue	As defined in paragraph 3.1.1 of this DLoF
RBI	The Reserve Bank of India
RoC	Registrar of Companies, Mumbai, Maharashtra

Registrar to the Offer	Karvy Computershare Private Limited bearing SEBI Registration number INR000000221
SCRR	Securities Contracts (Regulation) Rules, 1957 and subsequent amendments made thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
STCG	Short Term Capital Gains
STT	Securities Transaction Tax
Selling Broker	As has been defined in paragraph 9.8 of this DLoF
Target Company	IDBI Bank Limited
Target Company Board	As defined in paragraph 3.1.1 of this DLoF
Tendering Period	Period commencing from December 3, 2018, Monday and closing on December 14, 2018, Friday, both days inclusive
TRS	Transaction Registration Slip
UCC	As has been defined in paragraph 9.13 of this DLoF
Writ Petition	As has been defined in paragraph A(a) of the "Risk Factors Relating to the Offer" (on page 6) of this DLoF
Working Day	Working days of SEBI as defined in the SEBI(SAST) Regulations

Note: All capitalized terms used in this DLoF and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER 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 DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER – ICICI SECURITIES LIMITED HAS SUBMITTED DUE

DILIGENCE CERTIFICATE DATED OCTOBER 19, 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 DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The Acquirer had, by way of its letters dated June 15, 2018 bearing reference number INVO/Equity/2, and June 26, 2018 bearing reference number INVO/Equity/ED, sought permission from the IRDA in relation to it being permitted to acquire up to 51% of the shareholding of the Target Company. The IRDA by way of its letter dated July 4, 2018 bearing reference number INV/LIC/LR/002/2018-19 permitted the Acquirer to acquire up to 51% of the shareholding of the Target Company subject to certain conditions. Further, the Acquirer sent a letter dated July 16, 2018 to the Target Company wherein the Acquirer expressed its interest in acquiring up to 51% of the shareholding of the Target Company. Upon receipt of such a letter, the board of directors of the Target Company (“**Target Company Board**”) decided to seek the decision of the Central Government in relation to the same. The Department of Financial Services, Ministry of Finance, Government of India by its letter dated August 6, 2018 granted its no-objection in relation to, among others, the acquisition by the Acquirer of up to 51% of the shareholding of the Target Company and relinquishment of management control by the Central Government in the Target Company. Thereafter, the Acquirer sent a letter dated September 27, 2018 to the Target Company by way of which the Acquirer informed the Target Company that the Acquirer’s board of directors has now at its meeting held on September 4, 2018 approved the proposed acquisition by the Acquirer of up to 51% of the shareholding of the Target Company. Thereafter, the Target Company Board, at their meeting held on October 4, 2018, authorised the issuance and allotment of Equity Shares* aggregating up to 51%* of the Fully Diluted Voting Share Capital, to the Acquirer, by way of a preferential issue at an issue price to be determined in accordance with Chapter VII of the SEBI (ICDR) Regulations (“**Preferential Issue**”), to be paid in cash, subject to receipt of the approval from the shareholders of the Target Company as well as receipt of the statutory and other approvals. The Offer therefore triggered on October 4, 2018 in terms of Regulation 13(2)(g) of the SEBI (SAST) Regulations, being the date on which the Target Company Board authorised the Preferential Issue. The Offer is being made to the Equity Shareholders in accordance with Regulations 3(1), 4 and 7(6) of the SEBI (SAST) Regulations pursuant to the approval of the Preferential Issue by the Target Company Board. In terms of Chapter VII of the SEBI (ICDR) Regulations, the “relevant date” for the Preferential Issue is October 8, 2018 and accordingly the price at which each Equity Share will be issued has been calculated to be ₹60.73 that aggregates up to ₹2,02,28,47,14,614 in relation to the issuance and allotment of 3,33,08,86,129 Equity Shares*.

** The number of Equity Shares and the percentage of Equity Shares to be subscribed by the Acquirer has been calculated assuming that the Equity Shareholders do not tender any Equity Shares in the Offer. Accordingly, if the Equity Shareholders do tender any Equity Shares in the Offer, then such number and percentage may reduce in order to ensure that the Acquirer holds not more than 51% of the Fully Diluted Voting Share Capital upon completion of the Offer and the Preferential Issue.*

3.1.2 Accordingly, the Target Company Board at the meeting on October 4, 2018, also approved the issuance of a postal ballot notice dated October 4, 2018 (“**Postal Ballot Notice**”) which

requires the equity shareholders of the Target Company to consider and approve the Preferential Issue. The Postal Ballot Notice provides that the equity shareholders of the Target Company must submit their respective votes on or before 5:00 p.m. of November 7, 2018. The Target Company will declare the results of the postal ballot within the statutorily prescribed timeline.

- 3.1.3 The Acquirer has not been prohibited by SEBI from dealing in securities in terms of direction issued under Section 11B of SEBI Act or under any of the regulations made under the SEBI Act.
- 3.1.4 The Postal Ballot Notice sets out that the Target Company has sought approval of its shareholders to amend its Articles of Association, subject to applicable regulatory approvals (as the case may be) to enable the Target Company to have such a composition of board of directors wherein, (i) chairman of the Acquirer will be the ex-officio non-executive non-whole time chairman of the Target Company; (ii) one whole time managing director & CEO will be nominated by the Acquirer; (iii) two whole time deputy managing directors will be nominated by the Acquirer; and (iv) there will be one official nominee director of the Acquirer.
- 3.1.5 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Target Company Board is required to constitute a committee of independent directors to provide their reasoned recommendations on this Offer. These reasoned recommendations are required to be published at least two Working Days before the commencement of the Tendering Period in the same Newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations and a copy of the same shall also be sent to SEBI, BSE and the Manager to the Offer and in case of a competing offer, to the manager(s) of such competing offer(s).

3.2 Details of the Proposed Offer

- 3.2.1 The Public Announcement in connection with the Offer was issued by the Manager to the Offer on behalf of the Acquirer on October 4, 2018 to the BSE and NSE, and a copy thereof was filed with SEBI and sent to the registered office of the Target Company on the same date.
- 3.2.2 In accordance with Regulation 14(3) of SEBI (SAST) Regulations, the DPS was published in the following Newspapers on October 11, 2018:

Newspapers	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Navshakti	Marathi	Mumbai

Simultaneously, in accordance with the provisions of Regulation 14(3) of the SEBI (SAST) Regulations, a copy of the DPS was sent through the Manager to the Offer to: (i) SEBI; (ii) BSE; (iii) NSE; and (iv) the registered office of the Target Company. (The DPS is also available on the website of SEBI at www.sebi.gov.in)

- 3.2.3 The Offer is a mandatory Offer pursuant to Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

- 3.2.4 The Acquirer is making this Offer to acquire Offer Shares (i.e. 2,04,15,12,929 Equity Shares constituting 26% of the Fully Diluted Voting Share Capital of the Target Company) at the Offer Price (i.e. ₹61.73) per Offer Share, which is equal to the price determined in accordance with Regulation 8(2) of the SEBI (SAST) Regulations which aggregates to the Offer Consideration (₹1,26,02,25,93,107).
- 3.2.5 This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 3.2.6 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 3.2.7 As of the date of this DLoF, there are no outstanding convertible instruments (warrants/fully convertible debentures/partly convertible debentures) issued by the Target Company.
- 3.2.8 The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 3.2.9 To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the acquisition of the Offer Shares that are validly tendered pursuant to the Offer or to complete this Offer other than as indicated in paragraph 8 (*Statutory and Other Approvals*) below. However, in case any statutory approvals are required at a later date before the closure of the Tendering Period, this Offer shall be subject to such further approvals being obtained.
- 3.2.10 Where any statutory or other approval extends to some but not all of the Equity Shareholders, the Acquirer shall have the option to make payment to such Equity Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
- 3.2.11 In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that the approvals (whether in relation to the acquisition of Equity Shares of the Target Company constituting the Offer Shares or the Preferential Issue) specified in this DLoF as set out in paragraph 8 (*Statutory and Other Approvals*) below or those which become applicable prior to completion of the Offer are not received, then the Acquirer shall be constrained to withdraw the Offer and not proceed with the Preferential Issue. In the event of such a withdrawal of the Offer, the Acquirer (through the Manager to the Offer) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations. Further, as disclosed in the PA, DPS and explained above in Paragraph A(a) of the “Risk Factors Relating to the Offer”, on page 6 of this DLoF, the Preferential Issue and the Offer shall also be subject to any further and/or final order, judgment that may be issued by the Hon’ble High Court of Delhi or any other court.
- 3.2.12 The Equity Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are, fully paid-up, clear from all liens, charges and encumbrances. The Offer Shares will be acquired by the Acquirer together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Equity Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 3.2.13 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer presently has no intention to alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or of any of its subsidiaries during the period of two years from

the completion of the Offer except in the ordinary course of business; or as provided in the DPS or this Draft Letter of Offer.

- 3.2.14 Other than as set out in paragraph 3.2.13 above, if the Acquirer intends to alienate any material assets of the Target Company or any of its subsidiaries, within a period of two years from the completion of the Offer, the Target Company shall seek the approval of its shareholders as required under the proviso to Regulation 25(2) of the SEBI (SAST) Regulations.
- 3.2.15 The acquisition of the Offer Shares shall result in the public shareholding in the Target Company falling below the minimum public shareholding required under Rule 19 and Rule 19A of the Securities Contract (Regulation) Rules, 1957 read with SEBI (LODR) Regulations. The Target Company will comply with the minimum public shareholding requirements in the manner and within the timelines prescribed by SEBI.
- 3.2.16 There are no partly paid-up Equity Shares in the Target Company.
- 3.2.17 There is no differential pricing for this Offer.
- 3.2.18 The Acquirer has not acquired any Equity Shares of the Target Company after the date of the PA, i.e. October 4, 2018 and up to the date of this DLoF.

3.3 Object of the Acquisition/Offer

- 3.3.1 The key objectives of the Acquirer for the acquisition of a controlling stake up to 51% of the Fully Diluted Voting Share Capital of the Target Company, include, (i) achievement of Acquirer's vision of becoming a trans-nationally financial conglomerate which would provide entire gamut of financial solutions to its customers under one umbrella; (ii) synergetic benefits for the Target Company and the Acquirer through achieving economies of scale, reduction in the costs of distribution, customer acquisition, operational efficiency and opportunity for cross-selling of products and services; (iii) provide it the ability to deepen financial inclusion; and (iv) opportunity to undertake bancassurance through the Target Company's network of branches.
- 3.3.2 The aforementioned key objectives with respect to the businesses of the Acquirer and Target Company will be subject to statutory and other approvals as provided in Paragraph 8 (*Statutory and Other Approvals*) of this DLoF.

4. BACKGROUND OF THE ACQUIRER

- 4.1 The Acquirer is a statutory Corporation established under Section 3 of the Life Insurance Corporation Act, 1956. The Acquirer is registered with the IRDA and the registration number of the Acquirer is 512. There has been no change in the name of the Acquirer since its establishment. The corporate office of the Acquirer is located at Yogakshema Building, Jeevan Bima Marg, Mumbai, 400 021 India. Tel: (022) 6659 8690.
- 4.2 The principal activity of the Acquirer is to carry on life insurance business and related activities.
- 4.3 The Acquirer is not a part of any group.
- 4.4 The paid-up equity capital of the Acquirer is ₹1,00,00,00,000 that has been provided by the Central Government.

- 4.5 The Acquirer is wholly owned by the Central Government.
- 4.6 The equity shares of the Acquirer are not listed on any stock exchange in India or abroad.
- 4.7 As on the date of this DLoF, there are no directors representing the Acquirer on the board of directors of the Target Company.
- 4.8 As on the date of this DLoF, the Acquirer holds 67,36,20,000 Equity Shares representing 14.90% of the voting rights in the Target Company, as a public shareholder of the Target Company, and also holds 18,00,000 equity shares representing 29.84% of the total equity share capital of IDBI Trusteeship Services Limited, one of the subsidiaries of the Target Company. Except for the shareholding and the voting rights disclosed above and particulars in the table below, neither the Acquirer nor its directors or key employees have any relationship with or interest in the Target Company.

Name of the Director/ Key employees	Designation (in the Acquirer)	Interest in the Target Company
Mr. Ranbir Datt	Executive Director	1,500 Equity Shares
Mr. Rakesh Kumar	Executive Director	100 Equity Shares
Mr. T.C.Susheelkumar	Zonal Manager	1,000 Equity Shares
Mr. H.S. Shashikumar	Zonal Manager	50 Equity Shares

- 4.8.1 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer are as follows:

Name & Designation	DIN	Qualification & Experience	Date of Appointment
Mr. Vijay Kumar Sharma, Chairman	02449088	He is a post-graduate (M.Sc.) in Botany from Patna University. He joined LIC as direct recruit officer in 1981. He took charge as Chairman of the Acquirer on December 16, 2016. Prior to his taking over as Chairman, he has served as Chairman (in charge) from September 16, 2016 and Managing Director from November 1, 2013. He has also been the Managing Director & Chief Executive Officer of LIC Housing Finance Limited. At present, he is on board of ACC Limited, ICICI Bank Limited, LIC Pension Fund Limited, LIC Mutual Fund Asset Management Ltd, LIC Housing Finance Limited, LIC Card Services Limited, LICHFL Asset Management Company Limited, LIC (International) BSC Bahrain, Life Insurance Corporation (LIC) of Bangladesh Ltd, Kenindia Assurance Co. Ltd, LIC (Lanka) Ltd, LIC(Nepal) Ltd., Life Insurance Corporation (Singapore) Pte Ltd. and Tata Steel Limited.	November 1, 2013
Mr.Hemant Bhargava, Managing Director	01922717	He holds a masters degree in Economics and also studied in Jamnalal Bajaj Institute of Management Studies in Masters in Financial Management. He has done courses from IIM, Lucknow and ISB, Hyderabad. He joined LIC	February 10, 2017

Name & Designation	DIN	Qualification & Experience	Date of Appointment
		as a direct recruit officer in the year 1981. During his rich tenure of 37 years in LIC, he has worked across various departments in diverse set of roles in both India and abroad, building multi-dimensional experience, in different capacities, especially in marketing, international operations, joint ventures and subsidiaries. Presently, he is on the boards of various companies, including LICHFL Asset Management Company Limited, Voltas Limited, Larsen and Toubro Limited, ITC Limited and The Tata Power Company Limited.	
Mr. B Venugopal, Managing Director,	02638597	He is a graduate in Commerce and Cost Accountancy from the University of Kerala. He has also undergone training in business strategies, project management and information technology at IIMs - Kolkata and Ahmedabad, ISB-Hyderabad, Asian Institute of Management - Manila and FALIA – Japan. He joined LIC as a direct recruit officer in the year 1983. Previously, he has held positions of Zonal Manager-In-Charge of western zone and Executive Director in the Acquirer. He represents the Acquirer on the boards of State Bank of India, National Commodity and Derivatives Exchange Limited and LIC (Nepal) Limited.	April 11, 2017
Ms. Sunita Sharma, Managing Director	02949529	She holds a master's degree in science Zoology from Delhi University. She joined LIC as a direct recruit officer in the year 1981. She is the first woman to head the LIC Housing Finance Limited. At present, she is a director on the boards of National Stock Exchange of India Limited, Larsen and Toubro Limited, LIC (Lanka) Limited, LIC Mutual Fund Trustee Private Limited and LIC Pension Fund Limited.	April 11, 2017
Mr. Subhash Chandra Garg, Government Nominee Member	01064347	He holds degrees in Commerce and Law from the University of Rajasthan, Jaipur, India. He is also a professionally qualified Cost and Works Accountant and a Company Secretary. He belongs to the Indian Administrative Service (IAS), 1983 batch, Rajasthan cadre. He has previously served as the Executive Director in the World Bank Group for Bangladesh, Bhutan, India and Sri Lanka. He has also served on the boards of the International Bank for Reconstruction & Development (IBRD), the International Development Association (IDA), collectively referred as the World Bank, the International Finance Corporation (IFC) and the	July 17, 2017

Name & Designation	DIN	Qualification & Experience	Date of Appointment
		Multilateral Investment Guarantee Agency. He is currently on the boards of National Investment and Infrastructure Fund Trustee Limited and India International Convention and Exhibition Centre Limited.	
Mr. Girish Chandra Murmu, Government Nominee Member	00183142	He has completed BA (Hons.), M A (Political Science), MBA (Public Service-International). He belongs to the Indian Administrative Service 1985 batch, Gujarat Cadre. At present he is the Special Secretary, Department of Revenue, Ministry of Finance, Government of India. He has previously served in the Government of India as an Additional Secretary, Ministry of Finance, principal secretary to Chief Minister, Government of Gujarat, Additional principal secretary, Secretary (Law & Order) Govt. of Gujarat, Commissioner and collector in various department and districts of Gujarat. He is currently a director of Goods and Service Tax Network.	June 16, 2016
Mr. Ashwani Kumar, Member	02870681	Mr. Ashwani Kumar is an M.Sc. Spl. (Chemistry) and a Certified Associate of the Indian Institute of Bankers. Previously, he has held the position of a Chairman and Managing Director of Dena Bank; General Manager, Allahabad Bank and Executive Director in Corporation Bank and chairman of Indian Bank's Association.	October 10, 2013
Ms. Alice G. Vaidyan, Ex-Officio Member	07394437	She is a post graduate in English literature and a Fellow of the Insurance Institute of India.. She is the first lady officer to assume the post of Chairman of the National Reinsurer, GIC. She is also the first lady CMD in the public sector Insurance industry in India (both life and non-life). She currently serves on the boards of GIC Housing Finance Limited, General Insurance Corporation of India, Indian Register of Shipping, Agriculture Company of India Limited, ECGC Limited and Health Insurance TPA of India Limited.	May 23, 2016
Mr. Bimalendu Chakrabarti, Non-Official Member	00017513	He graduated in Commerce from Calcutta University and is also a member of the Institute of Chartered Accountants of India. He has previously served as General Manager & Executive Director in United India Insurance Company Limited; Chairman and Managing Director of New India and National Insurance Company Limited; Chairman of India International Insurance Pte. Ltd.,	September 29, 2017

Name & Designation	DIN	Qualification & Experience	Date of Appointment
		Singapore, Prestige Assurance Pie, Lagos, Nigeria and The New India Assurance Co. (Port of Spain); and Chairman of Governing Body of Insurance Council & General Insurers' (Public Sector) Association of India. Currently, he is on the board of GIC Housing Finance Limited, Loss Prevention Association of India Limited, Health Insurance TPA of India Limited.	
Mr. Ravindra Chaturvedi, Non-Official Member	00006300	He is a B.Com, FCA, DISA. He is a certified corporate valuer, Certified Forensic Auditor (FAFP) and Certified Anti Money Laundering (AML) expert from ICAI. He has experience in the field of Audit & Assurance, Taxation, Valuation, Company Law matters, Corporate Governance and Risk Management as practicing Chartered Accountant. Clients served include Companies in the fields of Infrastructures, Banking and Insurance, Engineering, Aviation, Telecom, Oil & Gas, Steel, Cement and other manufacturing industries in private and public.	September 29, 2017
Mr. Chandrasekaran Ramamurthy, Non-Official Member	01560464	He is a B.Com and has several academic and professional qualifications which include, Advanced Accountancy, Cost Accounts, PGDM (from Jammalal Bajaj Institute of Management Studies), Fellow of Insurance Institute of India (FIII), Associate Member of Institute of Risk Management (MIRM), London, Associate of Chartered Insurance Institute (ACII), London and Certified Associate of Indian Institute of Bankers (CAIIB), Mumbai, Certificate in Computer Software from Mumbai University. He has previously served as the General manager of GIC Re, and as DGM, Information Technology in Kuwait Reinsurance Company, Kuwait.	September 29, 2017

4.8.2 The Acquirer's brief financial details based on its (i) audited financial statements for the financial years ended on March 31, 2018, March 31, 2017 and March 31, 2016; and (ii) unaudited financials (limited reviewed report) for the three months period ended on June 30, 2018, prepared and presented in accordance with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws Amendment Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and orders/ circulars passed by the IRDA.

(₹ in lakhs)

Particulars	For the 3 months period ended on June 30, 2018 (Unaudited)	Financial year ended March 31, 2018 (Audited)	Financial year ended March 31, 2017 (Audited)	Financial year ended March 31, 2016 (Audited)
POLICYHOLDERS' A/C				
Gross Premium Income	63,91,808.00	3,18,22,320.56	3,00,48,735.98	2,66,44,420.56
Net Premium Income ^	63,86,596.03	3,17,85,098.87	3,00,19,668.40	2,66,22,538.36
Income from Investments (Net) @	49,91,884.59	2,04,95,899.68	1,91,82,291.42	1,56,99,685.80
Other Income	9,163.30	80,112.77	60,699.70	96,444.04
Total Income	1,13,87,643.92	5,23,61,111.32	4,92,62,659.52	4,24,18,668.20
Commissions	370,119.22	18,22,681.87	16,59,006.66	15,47,716.58
Brokerage	0			
Operating Expenses related insurance business	6,84,613.98	30,14,239.54	28,94,465.65	22,69,276.57
Provision for Taxation and Others	119931.34	1401518.94	1,10,9005.55	6,64,411.33
Total Expenses	11,74,664.54	62,38,440.35	56,62,477.86	44,81,404.48
Payment to policyholders *	51,66,150.76	1,98,11,983.14	1,67,62,427.46	1,43,44,516.89
Increase in actuarial liability	50,46,828.62	2,60,68,505.57	2,66,17,720.84	2,33,43,043.35
Surplus/Deficit from operations	0.00	242,182.26	2,20,033.36	2,49,703.48
SHAREHOLDERS' A/C				
Total income under shareholders' Account	-53.27	2,45,981.33	2,24,855.96	2,52,886.42
Profit/(loss) before tax	-53.27	2,45,941.56	2,24,836.27	2,52,886.30
Provisions for tax	0	1,301.02	1,662.19	1,101.51
Profit/loss after tax	-53.27	2,44,640.54	2,23,174.08	2,51,784.79
MISCELLANEOUS				
(A) Policyholders' account				
Total funds	28,45,18,776.34	27,90,91,639.39	25,28,44,588.20	21,70,03,453.37
Total Investments	29,16,63,290.05	27,05,57,972.06	24,42,21,448.66	20,74,23,355.87
Yield on investments % #	7.22	7.71	7.78	8.11
(B) Shareholders' account:				
Total funds	65,180.48	65,037.25	60,645.28	58,294.29
Total Investments	58,394.10	58,579.75	57,397.52	51,308.57
*Yield on investments % #	Not Published	5.90	6.29	5.85
*Yield on total investments % #	Not Published	7.71	7.78	8.11
Paid up equity capital	10,000.00	10,000.00	10,000.00	10,000.00
Net worth	65,180.48	65,037.25	60,645.28	58,294.29
Total Assets	29,17,21,684.15	28,45,04,182.01	25,72,02,833.64	22,10,37,864.90

Particulars	For the 3 months period ended on June 30, 2018 (Unaudited)	Financial year ended March 31, 2018 (Audited)	Financial year ended March 31, 2017 (Audited)	Financial year ended March 31, 2016 (Audited)
Earnings per share	Not Applicable**	Not Applicable**	Not Applicable**	Not Applicable**
Book value per share	N.A.	N.A.	N.A.	N.A.

[^] Net of reinsurance

@ Net of losses

* Inclusive of interim bonuses, if any

Yield is calculated

** The Acquirer is a statutory corporation that does not have equity shares and accordingly disclosure of EPS does not apply.

Source: Annual Reports of the Acquirer for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016; and (ii) unaudited standalone financials (limited review report) for the three months ended June 30, 2018.

4.8.3 As on the date of this DLoF, the Acquirer does not have any major contingent liabilities other than the statutory demands/ liabilities in dispute, amounting to ₹23,05,703 Lakhs, as disclosed in the Acquirer's Annual Report for the financial year 2018.

5. BACKGROUND OF THE TARGET COMPANY

- 5.1 The Target Company was originally established as a Development Financial Institution in the name of Industrial Development Bank of India under the Industrial Development Bank of India Act, 1964. Subsequently, the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003 was passed and it repealed the Industrial Development Bank of India Act, 1964 for the purpose of transforming the erstwhile Development Financial Institution into a banking company, on September 27, 2004. Accordingly, the Target Company is carrying on the business of banking under the statutory dispensation like public sector banks and the Target Company is not required to obtain a license under Section 22 of the Banking Regulation Act, 1949. Further, by way of a letter bearing reference number DBOD BP 1630/21.04.152/2004-05 dated April 15, 2005 issued by the RBI, the Target Company has been classified as a government owned bank under the category of "Other Public Sector Bank".
- 5.2 The Target Company was incorporated as Industrial Development Bank of India Limited on September 27, 2004 under the Companies Act, 1956 and received Certificate of Incorporation and Certificate of Commencement of Business from the RoC. By way of (i) a special resolution passed by the shareholders of the Target Company through a postal ballot on April 25, 2008; and (ii) the approval of the Central Government read with Notification No. G.S.R. 507 (E) dated June 24, 1985 vide SRN A36843894 dated May 7, 2008 issued by the Department of Company Affairs, Government of India, the name of the Target Company was changed to IDBI Bank Limited and it received a fresh Certificate of Incorporation from the RoC on May 7, 2008.
- 5.3 The registered office of the Target Company is located at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai, Maharashtra – 400 005, India. Tel: (022) 66552779, Fax: (022) 22188629. The corporate identification number of the Target Company is L65190MH2004GOI148838.

- 5.4 The Equity Shares of the Target Company are listed on the BSE (Security ID: IDBI), (Security Code: 500116) and the NSE (Symbol: IDBI). The ISIN of Equity Shares of the Target Company is INE008A01015. However, 33,98,97,328 Equity Shares of the Target Company that have been allotted to the Acquirer on October 4, 2018 are in the process of being listed on BSE and NSE.
- 5.5 The Target Company is engaged in the banking business.
- 5.6 The Equity Share capital structure of the Target Company as on the date of DLoF is as follows:

Paid-up Equity Shares of Target Company	No. of Equity Shares/voting rights	% of Equity Shares/ voting rights
Fully paid-up Equity Shares	45,21,08,66,73	100%
Partly paid-up Equity Shares	Not Applicable	Not Applicable
Total paid-up Equity Shares	45,21,08,66,73	100%
Total voting rights in Target Company	45,21,08,66,73	100%

- 5.7 As of the date of this DLoF the authorized share capital of the Target Company is ₹80,00,00,00,000 comprising of 8,00,00,00,000 Equity Shares of ₹10 each.
- 5.8 As of the date of this DLoF, the issued, subscribed and fully paid-up equity share capital of the Target Company is ₹45,21,08,66,730 comprising of 4,52,10,86,673 Equity Shares ₹10 each.
- 5.9 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Target Company are as follows:

Name & Designation	DIN	Qualification & Experience	Date of Appointment
Mr. Rakesh Sharma, MD & CEO	06846594	He is a Post Graduate in Economics and a Certified Associate of Indian Institute of Bankers. Previously, he has been the Chief General Manager of State Bank of India, the MD & CEO of Lakshmi Vilas Bank Limited and Canara Bank. While at Canara Bank, he also held the position of Chairman in the group companies of Canara Bank.	October 10, 2018
Mr. Krishna Prasad Nair, Deputy Managing Director	02611496	He is a Commerce graduate from the University of Madras and holds a Masters in Business Administration from the University of Cochin. He has been associated with the Target Company since its inception, for nearly three decades. During his tenure at the Target Company, he has dealt with assignments relating to, among others, retail banking, priority sector and corporate finance.	September 15, 2016
Mr. Gurudeo Madhukar Yadwadkar, Deputy Managing	01432796	He is a Bachelor in Engineering and has a Masters in Management Studies from the University of Mumbai. He is a Certified Associate of Indian Institute of Bankers. He also pursued ICWAI-Inter from the Institute of Cost and Works	September 15, 2016

Name & Designation	DIN	Qualification & Experience	Date of Appointment
Director		Accountants of India, Kolkata. He has been working with the Target Company for more than twenty nine years. He has dealt with functions relating to corporate banking, recovery segment, priority sector, MSME and strategic investments.	
Mr. Pankaj Jain, Government Director	00675922	He belongs to the Indian Administrative Services batch of 1990. He is at present the Joint Secretary, Department of Financial Services, Ministry of Finance, Government of India. He is a Bachelor in Commerce from the Shri Ram College of Commerce. He also holds an M.B.A from the Faculty of Management Studies, Delhi. Further, he also has a professional qualification in the discipline of accounting as an Associate of the Institute of Cost Accountants of India. He has previously worked for the state governments of Assam and Meghalaya on various aspects such as power, planning, information technology, livelihood promotion and industries. He has previously served as a director with the Government of India in the Ministry of Micro, Small and Medium Enterprises. He has also been the Governance Adviser and Senior Program Manager to British International Aid Agency, the Department for International Development. Further, he has been a consultant to the Commonwealth Secretariat and the Asian Productivity Organisation.	May 2, 2016
Mr. Sudhir Shyam, Government Director	08135013	He belongs to the Indian Economic Services batch of 1999. He holds an Economics degree from the Delhi University, a post-graduation and masters in Philosophy from the Jawahar Lal Nehru University. Currently, he works as a director in the Department of Financial Services. Previously, he has worked with the Internal Trade Division of Department of Consumer Affairs; as an Assistant Director with the Department of Economic Affairs; as a Deputy Secretary in the Ministry of Rural Development and the Department of Financial Services.	May 16, 2018

Name & Designation	DIN	Qualification & Experience	Date of Appointment
Mr. Gyan Prakash Joshi, Independent Director	00603925	He holds a B.Sc. (Hons), M.Sc, and a post graduate diploma in Financial Management. He belongs to the Indian Administrative Service batch of 1978. He has an experience of around thirty years in various positions in both the Central Government and State Governments of Manipur and Gujarat including as a Principal Secretary to the Government of Gujarat and a Principal Secretary to the Governor of Gujarat. He has also been on the board of directors of various companies such as Gujarat State Financial Corporation & Gujarat Water Infrastructure Limited (as its Managing Director) Gujarat State Petroleum Corporation (as its Director, Finance & Operations) National Aluminium Company Limited and Hindustan Copper Limited. He is presently on the Board of Saraf Foods Limited and Peaches and Plums Resorts Private Limited.	August 28, 2015
Dr. Ashima Goyal, Independent Director	00233635	She is an M.A and M.Phil from the Delhi School of Economics and Ph.D in Economics from the Mumbai University. She is currently working as a professor at the Indira Gandhi Institute of Development Research. She has been a consultant at prestigious forums such as RBI, Asian Development Bank and World Bank. She is presently on the board of directors of, among others SBI Mutual Fund Trustee Company Private Limited and Metropolitan Stock Exchange of India Limited. She is also on the boards of Care Ratings Limited, Cynergy Creators Private Limited and SBI Mutual Fund Trustee Company Private Limited,	April 28, 2017
Mr. Bhuwanchandra B. Joshi, Independent Director	06713850	He holds a B.Com degree and is a Certified Associate of the Indian Institute of Bankers. Previously, he has been an Executive Director of the Bank of Baroda. He has also been a part of various committees such as a member of the Working Group committee on Pricing of Credit formed by the RBI; Chairman of the Committee on Detailed Project Report on Financial Inclusion as a Mission Mode Project formed by the Department of Financial Services,	October 9, 2017

Name & Designation	DIN	Qualification & Experience	Date of Appointment
		Ministry of Finance and a member of the working group on Non Performing Assets Management & Recovery formed by the Indian Bankers Association.	
Mr. Samaresh Parida, Independent Director	01853823	He is a qualified Chartered Accountant, Cost Accountant and an M.B.A from Indian Institute of Management, Ahmedabad. He has previously been a senior advisor to National Bank for Agriculture and Rural Development, a Director of Strategy for Vodafone in India, Chief Financial officer of PepsiCo. His expertise is primarily in the field of strategy, consulting, planning, technology and finance.	May 19, 2018
Mr. N Jambunathan, Independent Director	05126421	He is a post graduate in statistics, a Certified Associate of the Indian Institute of Bankers. He has worked at different levels and positions in the State Bank of India such as, Chief General Manager, Information Technology. He also held important assignments in retail banking and payments business. He retired from the State Bank of India as its Deputy Managing Director.	May 19, 2018

- 5.10 The Target Company's brief financial details based on its (i) audited standalone financial statements for the financial years ended on March 31, 2018, March 31, 2017 and March 31, 2016; and (ii) unaudited standalone financials (limited review report) for the three months period ended on June 30, 2018 is as follows:

(₹ in lakhs)

Profit & Loss	For the 3 months period ended on June 30, 2018 (Standalone) (Unaudited)	Financial year ended March 31, 2018 (Standalone) (Audited)	Financial year ended March 31, 2017 (Standalone) (Audited)	Financial year ended March 31, 2016 (Standalone) (Audited)
Interest Income	5,75,955	23,02,653	27,79,137	28,04,276
Other income	64,295	700,888	4,00,783	3,41,070
Total income	6,40,250	30,03,541	31,79,920	31,45,346
Interest expended	4,12,093	17,38,621	22,03,971	21,95,381
Other operating expenditure	1,20,048	4,74,469	5,14,081	4,12,958
Provision and contingencies (Excluding Tax)	5,23,607	20,49,705	1,32,3670	10,34,082
Profit Before Tax	-4,15,498	-12,59,253	-861802	-4,97,076

Profit & Loss	For the 3 months period ended on June 30, 2018 (Standalone) (Unaudited)	Financial year ended March 31,2018 (Standalone) (Audited)	Financial year ended March 31,2017 (Standalone) (Audited)	Financial year ended March 31,2016 (Standalone) (Audited)
Provision for Tax	-1,74,509	-4,35,461	-345988	-1,30,595
Profit after tax	-2,40,989	-8,23,792	-5,15,815	-3,66,480

Balance Sheet	For the 3 months period ended on June 30, 2018 (Standalone) (Unaudited)	Financial year ended March 31,2018 (Standalone) (Audited)	Financial year ended March 31,2017 (Standalone) (Audited)	Financial year ended March 31,2016 (Standalone) (Audited)
Capital	4,18,119	3,08,386	2,05,882	2,05,882
Reserves and surplus	22,49,965	18,12,587	20,50,483	25,66,297
Deposits	2,39,89,612	2,47,93,161	2,68,53,810	2,65,71,983
Borrowings	45,94,065	63,18,553	56,36,398	70,59,164
Other liabilities and provisions	10,15,691	17,98,677	14,40,875	11,35,657
TOTAL	3,22,67,453	3,50,31,364	3,61,87,447	3,75,38,983
Cash and balances with Reserve Bank of India	12,47,576	13,16,369	13,34,692	13,82,292
Balances with banks and money at call and short notice	3,78,671	20,52,240	1,93,3716	9,77,763
Investments	94,52,702	91,60,606	92,93,441	92,99,713
Advances	1,59,79,877	1,71,73,995	1,90,82,593	2,15,89,345
Fixed assets	6,69,799	6,77,098	7,34,878	7,44,731
Other assets	45,38,828	46,51,056	38,08,127	35,45,139
TOTAL	3,22,67,453	3,50,31,364	3,61,87,447	3,75,38,983

Other Financial Data	For the 3 months period ended on June 30, 2018 (Standalone) (Unaudited)	Financial year ended March 31,2018 (Standalone) (Audited)	Financial year ended March 31,2017 (Standalone) (Audited)	Financial year ended March 31,2016 (Standalone) (Audited)
Dividend (%)	Nil	Nil	Nil	Nil
Earnings per share	-6.83	-34.45	-25.05	-21.77
Return on Equity	-98.64%	-58.30%	-33.00%	-18.87%
Book value per Share	18.95	39.01	55.51	107.41
Networth/Shareholders funds (Excluding Revaluation Reserve, DTA, Software and including share application money)	7,92,400	12,03,100	11,42,900	1,81,58,00

Source: Annual reports of the Target Company for the financial years ended March 31, 2018, March 31, 2017, and March 31, 2016 as available on www.bseindia.com; and (ii) unaudited standalone financials (limited review report) for the three months period ended on June 30, 2018 as available on www.bseindia.com.

5.11 The Target Company's brief financial details based on its (i) audited consolidated financial statements for the financial years ended on March 31, 2018, March 31, 2017 and March 31, 2016 is as follows:

(₹ in lakhs)

Profit & Loss	Financial year ended March 31, 2018 (Consolidated) (Audited)	Financial year ended March 31, 2017 (Consolidated) (Audited)	Financial year ended March 31, 2016 (Consolidated) (Audited)
Interest Income	2,304,625	2,780,538	2,805,820
Other income	724,336	420,742	351,805
Total income	3,028,961	3,201,281	3,157,625
Interest expended	1,737,620	2,201,944	2,193,098
Other operating expenditure	489,200	524,315	420,583
Provision and contingencies (Excluding Tax)	2,051,653	1,324,846	1,035,094
Profit Before Tax	-1,249,513	-849,824	-491,149
Provision for Tax	-433,802	-342,879	-128,772
Profit after tax	-815,711	-506,945	-362,378

Balance Sheet	Financial year ended March 31, 2018 (Consolidated) (Audited)	Financial year ended March 31, 2017 (Consolidated) (Audited)	Financial year ended March 31, 2016 (Consolidated) (Audited)
Capital	308,386	205,882	205,882
Reserves and surplus	1,882,409	2,120,350	2,599,962
Minority Interest	8,596	7,057	6,146
Deposits	24,777,657	26,821,568	26,508,739
Borrowings	6,318,553	5,636,398	7,059,164
Other liabilities and provisions	1,818,077	1,457,542	1,147,579
TOTAL	35,113,678	36,248,796	37,527,472
Cash and balances with Reserve Bank of India	1,316,920	1,334,963	1,382,738
Balances with banks and money at call and short notice	2,061,187	1,938,268	948,061
Investments	9,184,768	9,307,487	9,281,016
Advances	17,173,995	19,082,593	21,589,345
Fixed assets	685,293	743,323	752,193
Other assets	4,691,515	3,842,163	3,574,120
TOTAL	35,113,678	36,248,796	37,527,472

Other Financial Data	Financial year ended March 31, 2018 (Consolidated) (Audited)	Financial year ended March 31, 2017 (Consolidated) (Audited)	Financial year ended March 31, 2016 (Consolidated) (Audited)
Dividend (%)	0	Nil	Nil
Earnings per share (Rs.)	-34	-24	-21
Return on Equity	-65.82%	-33.16%	-18.81%
Book value per Share (Rs.)	41	59	90
Networth/ Shareholders funds (Excluding Revaluation Reserve, DTA, Software and including share application money)	1,269,053	1,209,721	1,847,670

Source: Annual reports of the Target Company for the financial years ended March 31, 2018, March 31, 2017, and March 31, 2016 as available on www.bseindia.com; and (i) unaudited standalone financials (limited review report) for the three months period ended on June 30, 2018 as available on www.bseindia.com

5.12 The Pre and Post Offer Shareholding Pattern of the Target Company as on October 12, 2018 assuming full acceptance is as provided below:

	Shareholders' category	Shareholding and voting rights prior to the agreement/ acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer	
		(A)		(B)		(C)		(A)+(B)+(C) = (D)	
		No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
1	Promoter group	-	-	-	-	-	-	-	-
A	Parties to the agreement, if any	(Note 1)	(Note 1)	-	-	-	-	-	-
B	Promoters other than A above	3,59,41,65,335	79.50	-	-	-	-	3,59,41,65,335	45.77 (Note 2)
C	Total 1 (A+B)	3,59,41,65,335	79.50	-	-	-	-	3,59,41,65,335	45.77
2	Acquirers	-	-	-	-	-	-	-	-
A	Main Acquirer	67,36,20,000	14.90 #	1,28,93,73,200 ** (Note 3)	16.42**	2,04,15,12,929	26	4,00,45,06,129	51.00
B	PACs	-	-	-	-	-	-	-	-
C	Total 2 (A+B)	67,36,20,000	14.90 #	1,28,93,73,200 ** (Note 3)	16.42**	2,04,15,12,929	26	4,00,45,06,129	51.00
3	Parties to agreement other than 1A and 2	(Note 1)	(Note 1)	-	-	-	-	-	-
4	Public (other than parties to the agreement, Acquirers and PACs)	-	-	-	-	-	-	-	-
A	FIs/MFs/FIIs/Banks, SFIs, others (includes FPIs) Indicate names	7,03,92,080	1.55	-	-	-	-	-	-
B	Others (including ESOP's)	18,29,09,258	4.05	-	-	-	-	-	-
	Total	25,33,01,338	5.60	-	-	-	-	25,33,01,338	3.23

Shareholders' category	Shareholding and voting rights prior to the agreement/ acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
4(A+B)								
Grand Total (1+2+3+4)	4,52,10,86,673	100.00	1,28,93,73,200	16.42**	*2,04,15,12,929	26	7,85,19,72,802	100

Note 1: No agreement has been entered into between the existing promoter (i.e. President of India) and the Acquirer. The size of Preferential Issue will be subject to completion of the on-going Open Offer Process being carried out by the Acquirer.

Note 2: The Department of Financial Services, Ministry of Finance, Government of India by its letter dated August 6, 2018 granted its no-objection in relation to, among others, the acquisition by the Acquirer of up to 51% of the shareholding of the Target Company and relinquishment of management control by the Central Government in the Target Company.

Note 3: The number of Equity Shares and the percentage of Equity Shares to be acquired has been calculated assuming that there is full acceptance of the Offer. Accordingly, if the Equity Shareholders do not tender any Equity Shares in the Offer, then such number and percentage may increase in order to ensure that the Acquirer holds not more than 51% of the Fully Diluted Voting Share Capital of the Target Company upon completion of the Offer and the Preferential Issue.

**** as of the Fully Diluted Voting Share Capital.**

The pre-transaction shareholding represents 8.58% of the Fully Diluted Voting Share Capital.

- 5.13 The Acquirer has not acquired any Equity Shares after the date of PA till the date of the Draft Letter of Offer.
- 5.14 There have been no mergers/demergers/spin-offs involving the Target Company during the last 3 (three) years.
- 5.15 The compliance officer of the Target Company is Mr. Pawan Agrawal. He attends to all investor grievances of the Target Company, his phone number is (022) 66552265 and email address is pawan.agrawal@idbi.co.in.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

- 6.1.1 The Offer is being made to the Equity Shareholders in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the approval of the Preferential Issue by the Target Company Board.
- 6.1.2 The Equity Shares of the Target Company are listed on the BSE (Security ID: IDBI), (Security Code: 500116) and the NSE (Symbol: IDBI). The ISIN of Equity Shares of the Target Company is INE008A01015.
- 6.1.3 The annualized trading turnover in the Equity Shares of the Target Company on BSE and NSE based on trading volume during the twelve calendar months prior to the month of PA i.e. (October 1, 2017 to September 30, 2018) is as given below:

Stock Exchange	Total no. of Equity Shares traded during the twelve calendar months prior to the month of PA	Total no. of listed Equity Shares	Annualised trading turnover (as % of total Equity Shares listed)
BSE	59,85,55,989	4,18,11,89,345	14.32%
NSE	4,29,63,62,371	4,18,11,89,345	102.75%

Source. www.bseindia.com and www.nseindia.com

- 6.1.4 Based on the above information, the Equity Shares of the Target Company are frequently traded on the BSE and NSE within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 6.1.5 The Offer Price of ₹61.73 per Equity Share is justified in terms of Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, being the highest of the following:

S. No	Particulars	₹/Equity Share
A	The highest negotiated price per Equity Share for any acquisition under an agreement attracting the obligation to make a public announcement of an open offer i.e. the price per share under the underlying agreement, if any.	Not applicable
B	The volume weighted average price paid or payable per Equity Share for acquisitions by the Acquirer during the fifty-two weeks immediately preceding the date of the PA.	Not applicable
C	The highest price per Equity Share paid or payable for any acquisition by the Acquirer during the twenty-six weeks immediately preceding the date of the PA.	61.73
D	The volume-weighted average market price of such Equity Shares for a period of sixty trading days immediately preceding the date of PA as traded on NSE (maximum volume of trading in the Equity Shares is recorded during such period).	57.66
E	Price determined by the Acquirer and the Manager taking into account valuation parameters as are customary for valuation.	Not applicable

The price at which the Equity Shares will be issued and allotted under the Preferential Issue is ₹60.73 per Equity Share which is a price that is lower than the Offer Price (i.e. ₹61.73 per Equity Share).

- 6.1.6 In view of the parameters considered and set forth above, the minimum offer price under Regulation 8(2) of the SEBI (SAST) Regulations is the higher of item numbers A to E above i.e. ₹61.73.
- 6.1.7 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.
- 6.1.8 As on the date of this DLoF, there is no revision in the Offer Price or size of the Offer. In case of any revision in the Offer Price or size of the Offer, the Acquirer shall comply with Regulation 18 of the SEBI (SAST) Regulations and all the provisions of the SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price or size of the Offer.
- 6.1.9 In terms of Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise (upward) the Offer Price at any time prior to the commencement of the last one Working Day before the commencement of the Tendering Period. In the event of such

revision, the Acquirer shall (i) make corresponding increase to the escrow amount (ii); make public announcement in the same Newspapers in which this DPS has been published; and (iii) simultaneously notify to BSE, NSE, SEBI and the Target Company at its registered office of such revision. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.

- 6.1.10 If the Acquirer acquires Equity Shares during the period of twenty-six weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.2 Financial Arrangement

- 6.2.1 The total funding requirement for the Offer, assuming full acceptance, i.e. for the acquisition of Offer Shares (i.e. 2,04,15,12,929 Equity Shares) at the Offer Price (i.e. ₹61.73 per Offer Share) aggregates to the Offer Consideration (i.e. ₹1,26,02,25,93,107).
- 6.2.2 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer, the Manager and HDFC Bank Limited (“Escrow Bank”), have entered into an escrow agreement dated October 8, 2018 (“Escrow Agreement”) for the purpose of the Offer. Pursuant to the Escrow Agreement, the Acquirer has opened an escrow account under the name and style of “LICI - IDBI Bank Open Offer - Escrow Account” (“Escrow Account”).
- 6.2.3 Pursuant to the Escrow Agreement, the Acquirer has deposited cash of an amount of ₹1,26,02,25,930 being equivalent to 1% of the Offer Consideration in an escrow account opened with the Escrow Bank. Further, HDFC Bank on behalf of the Acquirer, has furnished an unconditional, irrevocable and on demand bank guarantee aggregating to an amount of ₹1,33,59,77,40,68 in favour of the Manager to the Offer (“Bank Guarantee”). The amount of Bank Guarantee is in compliance with the requirements of Regulation 17 of the SEBI (SAST) Regulations, i.e. 25% of the first ₹5,00,00,00,000 of the Offer Consideration and 10% of the remainder of the Offer Consideration. The Bank Guarantee is valid up to February 5, 2019. The Acquirer undertakes that in case the Offer process is not completed within the validity of Bank Guarantee, then the Bank Guarantee will be further extended at least up to the 30th day from the date of completion of the payment of the Offer Consideration. The cash deposit has been confirmed vide confirmation letter dated October 8, 2018 issued by the Escrow Bank.
- 6.2.4 M/s K.J. Sheth & Associates, Chartered Accountants (Membership no. 37824), having its office at 2nd Floor, Seskaria Chambers, 139, Nagindas Master Road, Fort, Mumbai – 400 023 (Tel: (022) 2267 1618) (“K.J. Sheth & Associates”), by certificate dated October 4, 2018, has certified that the Acquirer has made firm financial arrangements for fulfilling its payment obligations under the Offer in terms of the SEBI (SAST) Regulations.
- 6.2.5 The Acquirer has confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purposes of this Offer. The Acquirer has duly and solely authorized the Manager to the Offer to operate and realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

- 6.2.6 The Acquirer has confirmed that it has adequate and firm financial resources to fulfil the obligations under the Offer and has made firm financial arrangements for implementation of the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.
- 6.2.7 In case of any upward revision in the Offer Price, the Acquirer shall make further deposit into the Escrow Account, prior to effecting such revision, to ensure compliance with Regulations 17(2), 22(2) and 24(1) of the SEBI (SAST) Regulations.
- 6.2.8 On the basis of the above and the certificate dated October 4, 2018 provided by K.J. Sheth & Associates, the Manager to the Offer is satisfied about the ability of the Acquirer to fulfil its obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational Terms and Conditions

- 7.1.1 In terms of the schedule of activities, the Tendering Period will commence on December 3, 2018 and will close on December 14, 2018 (both days inclusive)
- 7.1.2 The Equity Shareholders of the Target Company who tender their Equity Shares in the Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances and will be acquired by the Acquirer, in accordance with the terms and conditions set forth in the DPS, this Draft Letter of Offer and the terms and conditions which will be set out in the Letter of Offer to be sent to all the Equity Shareholders in relation to this Offer, the relevant provisions of the SEBI (SAST) Regulations, and applicable law. The Acquirer, shall acquire the Equity Shares of the Equity Shareholders of the Target Company who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.
- 7.1.3 The Identified Date for this Offer as per the tentative schedule of activity is November 15, 2018.
- 7.1.4 The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 Equity Share.
- 7.1.5 This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
- 7.1.6 In terms of Regulation 20(8) of the SEBI (SAST) Regulations, if there is a competing offer, the schedule of activities and the Tendering Period for all competing offers, shall be carried out with identical timelines and the last date for tendering shares in acceptance of every competing offer shall stand revised to the last date for tendering shares in acceptance of the competing offer last made.
- 7.1.7 In terms of Regulation 20(9) of the SEBI (SAST) Regulations, upon the public announcement of a competing offer, an acquirer who had made a preceding competing offer shall be entitled to revise the terms of its Offer provided the revised terms are more favourable to the Equity Shareholders of the Target Company. However, the acquirer making the competing offers shall be entitled to make upward revisions of the offer price at any time up to the last one working day prior to the commencement of the Tendering Period.
- 7.1.8 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of

the PA, the DPS and this Draft Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for this Offer.

7.1.9 Accidental omission to dispatch this Draft Letter of Offer or the Letter of Offer to any Equity Shareholder to whom this Offer has been made or non-receipt of this Draft Letter of Offer or the Letter of Offer by any such Equity Shareholder shall not invalidate this Offer in any way.

7.1.10 There has been no revision in the Offer Price or size of the Offer as on the date of this Draft Letter of Offer.

7.2 Locked in Equity Shares

7.2.1 As on the date of this Draft Letter of Offer, no Equity Shares of the Target Company are locked-in except for the (a) 3,59,41,65,335 Equity shares held by the President of India; and (b) 33,98,97,328 Equity Shares held by the Acquirer, locked-in under the applicable provisions of the SEBI (ICDR) Regulations.

7.3 Eligibility for accepting the Offer

7.3.1 This Offer is being made by the Acquirer to:

- (i) all the Equity Shareholders, whose name appear in the register of members of the Target Company as of the close of business on November 15, 2018 i.e. the Identified Date;
- (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on November 15, 2018, i.e. the Identified Date; and
- (iii) those persons who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer, i.e. December 14, 2018, but who are not the registered Equity Shareholders.

7.3.2 The Letter of Offer shall be sent to the shareholders of the Target Company whose names appear in register of members of the Target Company as on the Identified Date.

7.3.3 This Offer is also open to persons who own Equity Shares but are not registered Equity Shareholders as on the Identified Date.

7.3.4 Each Equity Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.

7.3.5 The PA, the DPS, the Draft Letter of Offer, this Letter of Offer and the Form of Acceptance cum Acknowledgment will also be available on the website of SEBI (www.sebi.gov.in). In case of non-receipt of this Letter of Offer, all Equity Shareholders including those who have acquired Equity Shares of the Target Company after the identified date, if they so desire, may download the Letter of Offer and, or, the Form of Acceptance cum Acknowledgment from SEBI's website for applying in this Offer.

7.3.6 NRI, erstwhile OCBs or any other non-resident holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI) and submit such approvals,

along with the other documents required in terms of this Draft Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and FPIs) had required any approvals (including from the RBI or any other regulatory authority) 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 Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves its right to reject such Equity Shares tendered in the Offer).

- 7.3.7 The acceptance of this Offer is entirely at the discretion of the Equity Shareholders. The Acquirer, the Manager to the Offer and the Registrar to the Offer shall not be responsible for any loss of share certificate(s), share transfer deeds and the Offer acceptance documents including Form of Acceptance-cum-Acknowledgement during transit and the Equity Shareholders are advised to adequately safeguard their interests in this regard.
- 7.3.8 Those Equity Shareholders who have not received this Draft Letter of Offer and those who apply in plain paper will not be required to provide any indemnity. They must follow the same procedure mentioned above for registered Equity Shareholders.
- 7.3.9 The Form of Acceptance-cum-Acknowledgement and other documents required to be submitted, herewith, will be accepted by Karvy Computershare Private Limited, the Registrar to the Offer, between 10:00 hours to 16:00 hours on Working Days during the period the Offer is open or should be received by the Registrar to the Offer at the address below on or before 17:00 hours on December 14, 2018, i.e. closure of the Tendering Period.
- 7.3.10 The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Equity Shareholder(s). In the event any change or modification is made to the Form of Acceptance cum-Acknowledgement or if any condition is inserted therein by the Equity Shareholder, the Manager to the Offer and the Acquirer reserve the right to reject the acceptance of this Offer by such Equity Shareholder.
- 7.3.11 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 7.3.12 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of the terms of this Offer. The Equity Shareholders can write to the Registrar to the Offer / Manager to the Offer requesting for the Draft Letter of Offer along with Form of Acceptance-cum-Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of closing of Tendering Period.
- 7.3.13 There shall be no discrimination in the acceptance of lock-in and non-lock in Equity Shares in the Offer. Locked-in Equity Shares, if any, can be tendered in the Offer subject to applicable laws including the continuation of the lock-in in the hands of the Acquirer. The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
- 7.3.14 The Acquirer shall complete all procedures relating to payment of consideration under this Offer within ten working days from the date of closure of the Tendering Period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition.

7.3.15 Any Equity Shares that are subject matter of litigation or are held in abeyance, subject to pending court cases, attachment orders or restriction from other statutory authorities wherein the Equity Shareholder may be precluded from transferring the Equity Shares during pendency of such proceedings, orders or restrictions, may be rejected if directions or orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the closure of the Tendering Period.

8. STATUTORY AND OTHER APPROVALS

8.1 To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the Preferential Issue and the Offer other than the prior written approvals or the expiration or termination of any waiting periods (and any extensions thereof) (as the case may be) from/under:

8.1.1 the CCI, necessary filings in relation to which have been made;

8.1.2 the RBI with respect to the letter submitted by the Acquirer seeking:

(i) acquisition by the Acquirer of further shareholding in the Target Company, thereby increasing the aggregate shareholding of the Acquirer in the Target Company up to a maximum of 51% of the total shareholding of Target Company; and

(ii) a recommendation to the Central Government to declare under Section 53 of the BR Act, that the provisions of section 12(2) of the BR Act shall not apply to the Target Company such that the Acquirer will be able to increase its voting rights in proportion to the acquired shareholding in the Target Company and will be vested with up to 51% of the total voting rights in the Target Company

8.1.3 the RBI with respect to the letter submitted by the Target Company seeking, among others, allowing the Acquirer to acquire up to 51% controlling stake as promoter in the Target Company;

8.1.4 stock exchanges in order to procure (a) an in-principle listing approval; (b) a final listing approval; and (c) a trading approval, in relation to the Equity Shares that will be issued and allotted to the Acquirer by way of the Preferential Issue; and

8.1.5 NSDL in order to dematerialise the Equity Shares that will be issued and allotted to the Acquirer by way of the Preferential Issue

8.2 Further, as disclosed in the PA, DPS and explained above in paragraph A(a) of the "Risk Factors Relating to the Offer" (on page 6) of this DLoF, the Preferential Issue and the Offer shall also be subject to any further and/or final order, judgment that may be issued by the Hon'ble High Court of Delhi or any other court.

8.3 In case of any other statutory approvals being required prior to the completion of the Offer, this Offer and the Preferential Issue shall also be subject to such other approvals and the Acquirer shall make the necessary applications for such other approvals.

8.4 In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that the approvals (whether in relation to the acquisition of Equity Shares constituting the Offer Shares or the Preferential Issue) specified in this DLoF as set out in this paragraph 8 (*Statutory and Other Approvals*) above or those which become applicable prior to completion of the Offer are not received, then the Acquirer shall be constrained to withdraw the Offer and not proceed with the Preferential Issue. The Acquirer shall also

be constrained to withdraw the Offer or not complete the Preferential Issue, if there is any judgement, prohibitory order or the like from the Hon'ble High Court of Delhi, or any other court affecting the Preferential Issue or the Offer. In the event of such a withdrawal of the Offer, the Acquirer (through the Manager to the Offer) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

- 8.5 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs), require any approvals (including without limitation from the RBI, the Foreign Investment Promotion Board or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
- 8.6 Subject to the receipt of the statutory and other approvals, if any, the Acquirer shall complete all procedures relating to the Offer, including payment of consideration within ten Working Days from the closure of the Tendering Period to those Equity Shareholders whose share certificates or other documents are found valid and in order and are approved for acquisition by the Acquirer.
- 8.7 Where any statutory or other approval extends to some but not all of the Equity Shareholders, the Acquirer shall have the option to make payment to such Equity Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
- 8.8 In case of delay/non-receipt of any approval which may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Equity Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations.
- 8.9 The IRDA by its letter dated July 4, 2018 bearing reference number INV/LIC/LR/002/2018-19 permitted the Acquirer to acquire up to 51% of the shareholding of the Target Company subject to certain conditions.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

- 9.1 All Equity Shareholders of the Target Company, whether holding Equity Shares in dematerialized form or physical form, registered or unregistered or holding locked-in Shares, regardless of whether such person has acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, are eligible to participate in this Offer any time during the Tendering Period.
- 9.2 The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
- 9.3 The Letter of Offer specifying the detailed terms and conditions of this Offer will be mailed to all the Equity Shareholders whose name appears in the register of members of the Target Company as at the close of business hours on the Identified Date. Equity Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be sent respective Form of Acceptance-cum-

Acknowledgement along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance. Form of Acceptance will not be sent to the Equity Shareholders holding Equity Shares in demat mode

- 9.4 Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in PA, the DPS and the Letter of Offer. Alternatively, such holders of the Offer Shares may apply in the Form of Acceptance-cum-Acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (www.sebi.gov.in) or the Registrar to the Offer.
- 9.5 The Offer will be implemented by the Acquirer, subject to applicable laws, through a stock exchange mechanism as provided under the SEBI (SAST) Regulations and SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 as may be amended from time to time, issued by SEBI. A separate window on the stock exchange ("**Acquisition Window**") would be provided by the stock exchange for this purpose
- 9.6 BSE shall be the designated stock exchange ("**Designated Stock Exchange**") for the purpose of tendering equity shares in the Offer.
- 9.7 The Acquirer has appointed ICICI Securities Limited as the registered broker ("**Buying Broker**") through whom the purchases and settlements on account of the Offer Shares tendered under the Offer shall be made. The contact details of the Buying Broker are mentioned below:
- Name:** ICICI Securities Limited
Address: ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020
Contact person: Allwyn Cardoza/ Mitesh Shah
Tel No: +91 22 2288 2460
Fax No: +91 22 2282 6580
- 9.8 All Equity Shareholders who desire to tender their Equity Shares under the 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.
- 9.9 The facility for acquisition of shares through the stock exchange mechanism pursuant to the Offer shall be available on BSE in the form of a separate window.
- 9.10 Separate Acquisition Window will be provided by BSE to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Equity Shares as well as physical Equity Shares.
- 9.11 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by BSE during the Tendering Period
- 9.12 Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.
- 9.13 Equity Shareholder can tender their Equity Shares only through a broker with whom the shareholder is registered as client (KYC Compliant). In the event Seller Broker(s) are not registered with BSE or if the Equity Shareholder does not have any stock broker then that Equity 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 the Equity Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Equity Shareholder may approach Buying Broker viz. ICICI Securities Limited, to bid by using quick UCC facility. The Equity Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

In case the Equity Shareholder is an individual

If the Equity Shareholder is registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable;
- 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 Equity 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 (cancelled cheque)
- 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 the Equity Shareholder is an HUF

If Equity Shareholder is registered with KRA: Forms required:

- CKYC form of Karta including FATCA, IPV, OSV if applicable;
- 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 Equity 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 of HUF and Karta
 - Address proof of HUF and Karta
 - Bank details (cancelled cheque)
- 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 Equity Shareholder other than an individual or an HUF

If Equity Shareholder is registered with KRA: Forms required:

- KYC form documents required (all documents certified true copy):
 - Bank details (cancelled cheque)
- 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 Equity Shareholder is not registered with KRA: Forms required:

- KRA form
- KYC form Documents required (all documents self-attested):

- PAN card copy of company / firm / trust
- Address proof of company / firm / trust
- Bank details (cancelled cheque).
- 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 / partnership declaration;
- Details of ultimate beneficial owner along with PAN card and address proof;
- Last 2 years financial statements.
- Memorandum of Association / partnership deed / trust deed.

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

Additionally, registered Equity Shareholders holding Equity Shares in physical form must also provide the documents mentioned in paragraph 9.15 below.

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.

9.14 Procedure for tendering Equity Shares held in dematerialised form

- 9.14.1 Equity Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Offer.
- 9.14.2 The Selling Broker would be required to place an order/bid on behalf of the Equity Shareholders who wish to tender Equity Shares in the Offer using the Acquisition Window of the BSE. Before placing the order/bid, the Equity 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.
- 9.14.3 Upon placing the order, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 9.14.4 Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.

- 9.14.5 The Equity Shareholders will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC code, keep their depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection.
- 9.14.6 The resident Equity Shareholders (i.e. Equity Shareholders residing in India) holding Equity Shares in demat mode, are not required to fill any Form of Acceptance-cum-Acknowledgement. The Equity Shareholders are advised to retain the acknowledged copy of the delivery instructions slip and the TRS till the completion of Offer Period.
- 9.14.7 All non-resident Equity Shareholders (i.e. Equity Shareholders not residing in India including NRIs and OCBs) holding physical and, or, demat Equity Shares are mandatorily required to fill the Form of Acceptance-cum-Acknowledgement. The non-resident Equity Shareholders holding Equity Shares in demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance-cum-Acknowledgement along with the required documents (including the documents and information identified in paragraphs 7 (*Terms and Conditions of the Offer*), 8 (*Statutory and Other Approvals*) and 10 (*Compliance with Tax Requirements*)) to the Registrar to the Offer at its address given on the cover page of the Letter of Offer. The envelope should be superscribed as "IDBI Bank - Open Offer". The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance-cum-Acknowledgment.
- 9.14.8 In case any person has submitted Equity Shares in physical form for conversion to demat, such Equity Shareholders should ensure that the process of getting the Equity Shares converted to demat mode is completed well in time so that they can participate in the Offer before the closure of the Tendering Period.
- 9.14.9 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 BSE on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 9.14.10 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 BSE / Clearing Corporation, before the opening of the Offer.
- 9.14.11 The Equity 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 Offer.
- 9.14.12 The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

9.15 Procedure for tendering the Equity Shares held in physical form

- 9.15.1 The Equity Shareholders holding physical shares and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit the following set of documents for verification as mentioned below:
- (i) Form of Acceptance-cum-Acknowledgement 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) (Form SH-4) 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. Form SH-4 may also be obtained from the Registrar to the Offer;
- (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));
- (vi) Self-attested copy of proof of address such as voter ID, passport or driving license; and
- (vii) Documents and information identified in paragraphs 7 (*Terms and Conditions of the Offer*), 8 (*Statutory and Other Approvals*) and 10 (*Compliance with Tax Requirements*)

9.15.2 The Selling Broker(s) should place bids on the Designated Stock 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., Dist. Nos. and number of Equity Shares.

9.15.3 After placement of order, the Selling Broker(s)/ Equity Shareholder must deliver the share certificates relating to its Equity Shares and other documentation listed in paragraph 9.15.1 above along with the TRS to the Registrar to the Offer i.e. Karvy Computershare Private Limited at the address mentioned on the cover page. The envelope should be superscribed "IDBI Bank Open Offer". Share certificates for physical shares must reach the Registrar to the Offer within 2 days of bidding by the Selling Broker. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.

9.15.4 The Equity Shareholder holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified in paragraph 9.13 above is submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar to the Offer. On receipt of the confirmation from the Registrar to the Offer, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform.

9.15.5 The Equity Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum-Acknowledgement. Equity Shareholder holding Equity Shares in physical mode will be sent respective Form of Acceptance-cum-Acknowledgement along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance.

9.16 Procedure for tendering the shares in case of non-receipt of Letter of Offer

- 9.16.1 Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired the Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- 9.16.2 An Equity Shareholder may participate in this Offer by approaching their Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum-Acknowledgement.
- 9.16.3 The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the Equity Shareholder whose names appear on the register of members of the Target Company, and the Letter of Offer will be dispatched to all the beneficial owners of the Equity Shares in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date.
- 9.16.4 In case of non-receipt of the Letter of Offer, such Equity Shareholder of the Target Company may download the same from the website of SEBI (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.
- 9.16.5 The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement would also be available at SEBI's website (www.sebi.gov.in) and Equity Shareholders can also apply by downloading such forms from the said website.
- 9.16.6 Alternatively, in case of non-receipt of the Letter of Offer, Equity Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all Equity 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 paragraphs 9.13 and 9.14 or 9.15 above along with Form SH 4 (in case of Equity Shares being held in physical form). Such Equity Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Offer.

9.17 Acceptance of Shares

- 9.17.1 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- 9.17.2 In the event that the number of Equity Shares (including demat Equity Shares or Physical Equity Shares) validly tendered by the Equity Shareholders under this Offer is more than the number of Equity Shares, the Acquirer shall accept those Equity Shares validly tendered by the Equity Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from an Equity Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The minimum marketable lot of the Target Company is 1 Equity Share.

9.18 Settlement Process

- 9.18.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares shall be provided to the Designated Stock Exchanges to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.
- 9.18.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 9.18.3 The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective Equity Shareholder. If the bank account details of the Equity Shareholder(s) are not available or if the funds transfer instruction are 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 Equity Shareholder.
- 9.18.4 The Equity Shareholders who intend to participate in the 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 Equity Shareholders for tendering Equity Shares in the Offer and the Equity Shareholders will be required to independently settle such costs, applicable taxes charges and expenses or other charges (if any). The Acquirer and the Manager to the Offer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) which are to be incurred solely by the Equity Shareholders.
- 9.18.5 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 Equity Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Offer.
- 9.18.6 The Equity Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Offer.
- 9.18.7 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity 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 Equity Shareholders directly by the Registrar to the Offer. 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 Offer by the Equity Shareholders holding Equity Shares in the physical form.
- 9.18.8 If Equity 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 the Equity Shareholder will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.
- 9.18.9 The Equity Shareholders who intend to participate in the 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 Offer (secondary market transaction). The Offer consideration received by the Equity 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 Equity Shareholders.

- 9.18.10 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirer.
- 9.18.11 Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Equity Shareholder(s) directly by Registrar to the Offer.
- 9.18.12 It may be noted that the Equity Shareholders who have tendered Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the Tendering Period even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed.
- 9.18.13 Any Equity Shares that are subject matter of litigation or are held in abeyance, subject to pending court cases, attachment orders or restriction from other statutory authorities wherein the Equity Shareholder may be precluded from transferring the Equity Shares during pendency of such proceedings, orders or restrictions, may be rejected if directions or orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the closure of the Tendering Period.

9.19 Settlement of Funds / Payment Consideration

- 9.19.1 The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 9.19.2 For Equity Shares accepted under the Offer, Clearing Corporation will make direct funds payout to respective Equity Shareholder. If bank account details of the Equity Shareholder are not available or if the funds transfer instruction are rejected by RBI/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.
- 9.19.3 The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- 9.19.4 The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.
- 9.19.5 Equity Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

- 9.19.6 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 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 Takeover Regulations, 2011.

10. COMPLIANCE WITH TAX REQUIREMENT

THE SUMMARY OF THE INCOME-TAX CONSIDERATIONS IN THIS SECTION 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 (INCLUDING RETROSPECTIVE CHANGES) FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATIONS BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. 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 IMPLICATIONS ARE ALSO DEPENDENT ON THE EQUITY SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, EQUITY SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, EQUITY SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY 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 BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

General

- 10.1 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. 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 Income Tax Act. 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 is 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".

- 10.2 Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act.
- 10.3 Further, the non-resident shareholder can avail benefits of the DTAA between India and the respective country of which the said shareholder is a tax resident subject to satisfying relevant conditions including: (i) those set out in limitation of benefits provisions present in the said DTAA (if any), (ii) the non-applicability of GAAR; and (iii) providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- 10.4 The Income Tax 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 and nature of the income earned, etc.
- 10.5 The summary of income-tax implications on tendering of listed equity shares on the recognised stock exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.
- 10.6 Classification of shareholders: Shareholders can be classified under the following categories:
- 10.6.1 Resident shareholders being:
- Individuals, HUF, Association of Persons and Body of Individuals
 - Others
- 10.6.2 Non-Resident shareholders being:
- Non-Resident Indians
 - FIIs / FPIs
 - Others:
 - A foreign company
 - Other than a foreign company
- 10.7 Classification of income from equity shares can be classified under the following two categories:
- 10.7.1 Shares held as investment (income from transfer is taxable under the heading "Capital Gains"); and
- 10.7.2 Shares held as stock-in-trade (income from transfer is taxable under the heading "Profits and Gains from Business or Profession")

As per the current provisions of the Income Tax Act, unless specifically exempted, income arising from the sale of equity shares in an Indian company are generally taxable in India either as "capital

gains” under Section 45 of the Income Tax Act or as “business profits/ income”, depending on the facts and circumstances of the case.

- 10.8 **Shares held as investment:** As per the provisions of the Income Tax Act, where the shares are held as investments (i.e. capital asset), income arising from the transfer of such shares is taxable under the head "Capital Gains". Capital gains in the hands of shareholders would be computed as per provisions of Section 48 of the Income Tax Act and the rate of income tax would depend on the period of holding.

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". In respect of equity shares held for a period less than or equal to 12 (Twelve) months prior to the date of transfer, the same should be treated as a "short-term capital asset", and accordingly the gains arising therefrom should be taxable as STCG. Similarly, where equity shares are held for a period more than 12 (Twelve) months prior to the date of transfer, the same should be treated as a "long-term capital asset", and accordingly the gains arising therefrom should be taxable as LTCG.

Where a transaction for transfer of such equity shares (i.e. acceptance under the Open Offer) is transacted through a recognised stock exchange and is chargeable to STT, then as per the provisions of Section 112A the Income Tax Act, income tax will be levied on LTCG on the sale or transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 12 (Twelve) months and have been subject to STT, upon acquisition and sale. Gains of this nature were, in the past (until the Finance Act, 2018 amended the Income Tax Act), exempt from capital gains taxation. The amendment provides that this tax of 10% (ten per cent) (exclusive of any surcharge and cess that would be applied) would be payable only if the LTCG exceeding ₹100,000/- in the financial year. In case of a resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such LTCG. Further, LTCG that arise on shares purchased prior to February 1, 2018 shall be grandfathered for the notional gains earned on such shares till January 31, 2018. For computing capital gains under the grandfathering regime, the cost of acquisition of the asset will be the higher of: (i) actual purchase price; or (ii) lower of (A) fair market value as on January 31, 2018; and (B) sale consideration for the shares.

Where provisions of section 112A of the Income Tax Act are not applicable (for example where STT was not paid at the time of acquisition of the equity shares):

- (i) LTCG may be chargeable to tax at rate of upto 20% (plus applicable surcharge and cess) in the case of a non-resident shareholder (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the Income Tax Act).
- (ii) In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and cess).
- (iii) For a NRI who is governed by the provisions of Chapter XII-A of the Income Tax Act, LTCG would be taxable at 10% (plus applicable surcharge and cess) under Section 115E of the Income Tax Act.
- (iv) For a resident shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and cess) without indexation.

Further, any gain realized on the sale of listed equity shares held for a period of 12 (Twelve) months or less and which is subject to STT, shall be subject to short term capital gains tax at 15% (plus applicable surcharge and cess) and STT. Further, in case of a resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

Taxability of capital gain arising to a non-resident in India from the sale of equity shares shall be determined basis the provisions of the Income Tax Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to satisfaction of certain prescribed conditions.

- 10.9 **Shares held as stock-in trade:** If the shares are held as stock-in-trade by any of the shareholders of the Target Company, then the gains would be characterized as business income and taxable under the heading "Profits and Gains from Business or Profession".
- 10.10 **Rate of Surcharge and Cess:** As per the current provisions of the Income Tax Act, in addition to the basic tax rate, surcharge (as applicable) and a health and education cess at the rate of 4% are leviable.

Tax Deduction at Source

- 10.11 **Resident shareholders:** In the absence of any specific provision under the Income Tax Act, the Acquirer is not required to deduct tax on the consideration payable to the Equity Shareholders pursuant to tendering of the Shares under the Open Offer.
- 10.12 **Non-Resident Shareholders:**

In case of FPIs: Section 196D of the Income Tax Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FPIs. Thus, no withholding of tax is required in case of consideration payable to FPIs.

In case of non-resident Equity Shareholder (other than FPIs): Section 195(1) of the Income Tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the Income Tax Act. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Equity Shareholders provide a specific mandate in this regard.

Under Section 195 of the Income Tax Act, tax is required to be deducted on payments made to non-residents, at the rates prescribed in Part-II of the First Schedule to the Finance Act, 2018. In terms of the said provisions, tax at applicable rates will be deducted from payment of LTCG to a non-resident taxpayer (other than a FPI). The capital gains will be required to be computed in accordance with the provisions of the Income Tax Act.

In the event the Acquirer is held liable for the tax liability of an Equity Shareholder, the same shall be to the account of the Equity Shareholder and to that extent the Acquirer is entitled to be indemnified.

Others

- 10.13 The tax implications are based on provisions of the Income Tax Act as amended by the Finance Act, 2018.
- 10.13.1 Notwithstanding the details given above, all payments will be made to the Equity Shareholders subject to compliance with prevailing tax laws.
- 10.13.2 Even if tax is deducted by the Acquirer while making payment to an Equity Shareholder, it may not be the final tax liability of such Equity Shareholder and shall in no way discharge the obligation of the Equity Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the Income Tax Authorities.
- 10.13.3 Equity 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.
- 10.13.4 The Acquirer and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.
- 10.13.5 If the Acquirer does deduct tax, it shall be as per the information provided and representations made by the Equity Shareholders. In an 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 Equity Shareholders, such Equity Shareholders will be responsible to pay such income-tax demand under the Income Tax Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.
- 10.13.6 The Acquirer shall issue a certificate in the prescribed form to the Equity Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax by the Acquirer, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of Section 203 of the Income Tax Act read with the Income-tax Rules, 1962.

11. DOCUMENTS FOR INSPECTION

The following material documents will be available for inspection by the Equity Shareholders of the Target Company at the office of the Manager to the Offer – ICICI Securities Limited (except Saturdays, Sundays and Bank holidays) between 11.00 am to 5.00 pm during the Tendering Period:

- 11.1 Certified copies of the annual audited reports of Acquirer for the financial years ended on March 31 2016, March 31, 2017 and March 31, 2018 unaudited financial statements (limited review report) for the three months period ended on June 30, 2018.
- 11.2 Certified copies of the annual audited reports of Target Company for the financial years ended on March 31, 2016, March 31, 2017 and March 31, 2018 and unaudited financial statements (limited review report) for the three months period ended on June 30, 2018.
- 11.3 Copy of the certificate dated October 4, 2018, issued by M/s K.J. Sheth & Associates, Chartered Accountants (Membership no. 37824), certifying that the Acquirer has made firm financial

arrangements for fulfilling its payment obligations under the Offer in terms of the SEBI (SAST) Regulations.

- 11.4 Copy of Escrow Agreement dated October 8, 2018 entered into between the Acquirer, Escrow Banker and the Manager to the Offer.
- 11.5 Copy of Public Announcement dated October 4, 2018, Detailed Public Statement dated October 10, 2018 published in the Newspapers on October 11, 2018 and issue opening public announcement.
- 11.6 Copy of the recommendation to be made by the committee of independent directors of the Target Company, in relation to this Offer, to be published in the Newspapers.
- 11.7 Copy of the observation letter dated [●] from SEBI containing its comments on the Draft Letter of Offer.

12. DECLARATION BY THE ACQUIRER

The Acquirer and their respective directors severally and jointly accept full responsibility for the information contained in this DLoF and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereto. The Acquirer will be responsible for ensuring compliance with the concerned SEBI (SAST) Regulations. The person signing this Draft Letter of Offer on behalf of the board of directors of the Acquirer has been duly and legally authorized by the Acquirer to sign the Draft Letter of Offer.

ISSUED BY THE MANAGER TO THE OFFER

EXECUTED by the Acquirer acting through its duly authorised representative

Signed for and on behalf of LIFE INSURANCE CORPORATION OF INDIA

Sd/-

Praveen Kumar Molri

Executive Director, (Investment Operations)

Place: Mumbai

Date: October 19, 2018

FORM OF ACCEPTANCE CUM ACKNOWLEDGMENT – IDBI BANK LIMITED

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

All non-resident Equity Shareholders (holding physical and, or, demat Equity shares) and resident Equity Shareholders holding physical Equity Shares are mandatorily required to fill this Form of Acceptance-cum-Acknowledgement (“Form”). Such Equity Shareholders are required to send this Form with enclosures, directly or through their respective Selling Broker, to the Registrar to the Offer at the address given below.

(Please send this Form with TRS generated by broker/Seller Member and enclosures to the Registrar to the Offer - Karvy Computershare Private Limited, at their registered office address provided in the Letter of Offer)

From		
Name:		
Address:		
Tel. No.:	Fax No.:	E-mail:

<p>TENDERING PERIOD FOR THIS OFFER</p> <p>Opens on: December 3, 2018</p> <p>Closes on: December 14, 2018</p>

To,

The Acquirer
 SEBI Registration Number: INR000002227
Karvy Computershare Private Limited
 Investor grievance e-mail: einward.ris@karvy.com
 Contact Person: M Murali Krishna

Sub: Open offer for acquisition of 2,04,15,12,929 Equity Shares representing 26% of the Fully Diluted Voting Share Capital of IDBI Bank Limited (the “Target Company”), from the Equity Shareholders of the Target Company by Life Insurance Corporation of India (“Acquirer”) (“Offer”).

Dear Sir,

I / We refer to the Letter of Offer dated [•] October, 2018 for acquiring Equity Shares held by me / us in IDBI Bank Limited.

I / We, the undersigned, have read the Letter of Offer and understood its contents, including the terms and conditions mentioned therein and unconditionally agree to such terms and conditions.

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

Name (in BLOCK LETTERS)	Holder	Name of the shareholder(s)	Permanent Account Number (PAN)
(Please write names of the joint holders in the same)	Sole / First		
	Second		

order as appearing in the Equity Share certificate(s) for physical shareholders)	Third		
Contact Number(s) of the First Holder	Tel No. (with STD Code):		Mobile No.:
	Fax No. (with STD Code):		
Full Address of the First Holder (with pin code)			
Email address of First Holder			
Date of incorporation (if applicable)			

For all Equity Shareholders holding Equity Shares in physical form

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

- Resident
 Non-resident

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

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
1					
2					
3					
4					
Total					

(In case of insufficient space, please use an additional sheet and authenticate the same)

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

- Original Equity Share certificates
 Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered Equity Shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
 Photocopy of Transaction Registration Slip (TRS)
 Self -attested copy of PAN card of all the transferor(s)

Self-attested copy of the address proof consisting of any one of the following documents: voter identity card, passport or driving license.

Any other relevant document (but not limited to) such as power of attorney (if any person apart from the Equity Shareholder has signed the Form), corporate authorisation (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased etc., as applicable.

Equity Shareholders should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted.

For all Equity Shareholders (demat and physical holders)

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Offer, are free from liens, charges, equitable interests and encumbrances and will be transferred together with the rights attached thereto, including all rights to dividend, bonus and rights offer, if any, declared hereafter and that I / we have obtained any necessary consents to sell the Equity Shares on the foregoing basis.

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 for Offer and that I / we am / are legally entitled to tender the Equity Shares for the Offer. I / We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certificates, documents and signatures, as applicable submitted along with this Form. I / We undertake to return to Acquirer any Offer consideration that may be wrongfully received by me/us.

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

I / We am / are not debarred from dealing in shares or securities.

In case of Equity Shareholders holding Equity Shares in physical form, I/ we note and understand that the shares / original share certificate(s) and transfer deed(s) will be held by the Registrar to the Offer / Clearing Corporation in trust for me / us till the date Acquirer makes 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 me / us, as the case may be. (Strikeout if not applicable).

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

I / We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the Letter of Offer, and I / we further authorize the Acquirer to return to me / us the Equity Shares (including the share certificate(s)) in respect of which the Open Offer is not found valid / not accepted without specifying the reasons thereof.

In case of EQ 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 Equity 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 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.

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, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I / We have enclosed all documents required under paragraph 10 (*Compliance with Tax Requirements*) of the Letter of Offer.

I / We confirm that I / we are in compliance with the terms of the Offer set out in the PA, the DPS and the Letter of Offer.

Status of shareholders:

<input type="checkbox"/> Individual	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FPI-Corporate	<input type="checkbox"/> FPI-Others	<input type="checkbox"/> Indian Company
<input type="checkbox"/> Foreign Trust	<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"/> OCB	<input type="checkbox"/> Indian Trust
<input type="checkbox"/> Banks	<input type="checkbox"/> FVCI	<input type="checkbox"/> Insurance Company	<input type="checkbox"/> Others – please specify:	

In case of non-resident Equity Shareholders, I / we confirm that our investment status is (please provide supporting documents and ✓ whichever is applicable):

- FDI route
- PIS route
- Any other – please specify _____

In case of non-resident Equity Shareholders, I / We confirm that the Equity Shares tendered by me / us are held on (✓ whichever is applicable):

Repatriable basis

Non-repatriable basis

In case of non-resident Equity Shareholders, I / We confirm that (✓ whichever is applicable):

No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the RBI and FIPB

Copies of all approvals required by me for holding Equity Shares that have been tendered in this Offer are enclosed herewith

Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

In case of non-resident Equity Shareholders, I / We confirm that (✓ whichever is applicable):

No RBI, FIPB or other regulatory approval is required by me for tendering the Equity Shares in this Offer

Copies of all approvals required by me for tendering Equity Shares in this Offer are enclosed herewith

Additional confirmations and enclosures for all shareholders, as applicable

I / We, have enclosed the following documents:

Self-attested copy of PAN card

Self-declaration form in Form 15G / Form 15H, in duplicate copy

Certificate from Income-tax Authorities for deduction of tax at lower or nil rate

For Mutual funds / Banks / Notified Institutions under Section 194A (3)(iii) of the Income Tax Act, copy of relevant registration or notification

'Valid Tax Residency Certificate' issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Equity Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Equity Shareholder claims to be resident and a duly filled in 'Form 10F' as prescribed under the Income Tax Act. 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.

SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act.

Bank Details

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

Name of Bank	
Branch Address and PIN Code	

Type of Account	Savings / Current / NRE / NRO / Others (<i>circle whichever is applicable</i>)
Account Number	
9 digit MICR code	
IFS Code (for RTGS / NEFT transfers)	

In case of non-resident Equity Shareholders holding Equity Shares in demat form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depository participant.

In case of interest payments, if any, by Acquirer for delay in payment of Offer Price or a part thereof, the Acquirer will deduct TDS at the applicable rates as per the Income Tax Act.

Yours faithfully,

Signed and Delivered	Full Name	PAN No.	Signature
1st Equity Shareholder			
2nd Equity Shareholder			
3rd Equity Shareholder			

Note: In case of joint holders, all must sign. In case of body corporate, it must affix the corporate seal and also attach necessary corporate resolutions.

Place:

Date:

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

Acknowledgement Receipt – IDBI Bank Limited - Offer

Received from Mr./Ms./M/s. _____
Form of Acceptance-cum-Acknowledge for IDBI Bank Offer as per details below: (<i>Delete whichever is not applicable</i>)
Folio No. _____ No. of Equity Share certificates _____ for _____ Equity Share
Copy of delivery instruction to depository participant of Client ID_for _____ Equity Shares

INSTRUCTIONS:

NO EQUITY SHARES / FORMS SHOULD BE SENT TO THE ACQUIRER, THE MANAGER TO THE OFFER OR TO THE TARGET COMPANY.

1. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
2. The Form of Acceptance-cum-Acknowledgment should be filled up only in English.
3. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgment and in the Equity Share transfer deed(s), in the order in which they hold 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 Offer.
4. Attestation, where required (as indicated in the Equity 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 authorised to use the seal of his office or a member of a recognised stock exchange under its seal of office and membership number or manager of the transferor's bank.
5. If non-resident Equity Shareholders had required any approval from the RBI or the Department of Industrial Policy & Promotion, 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 this Offer. Further, non-resident Equity Shareholders must obtain all approvals required, if any, to tender the Equity Shares in this Offer (including without limitation, the approval from the RBI and the Department of Industrial Policy & Promotion) 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 Acquirer to purchase the Equity Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
6. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole / first named Equity Shareholder(s) along with all the documents received from them at the time of submission.
7. All the Equity 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.
8. All documents / remittances sent by or to the Equity Shareholders will be at their own risk. Equity Shareholders are advised to adequately safeguard their interests in this regard.

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

**All future correspondence, if any, should be addressed to Registrar to the Offer at the following
address:**



Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad, Telangana 500 032, India

Telephone number: +91 40 6716 2222; Fax number: +91 40 2343 1551

E-mail: idbi.openoffer@karvy.com; Investor Grievance E-mail: einward.ris@karvy.com

Website: www.karvycomputershare.com; Contact Person: M Murali Krishna

SEBI Registration Number: INR000000221