

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Public Shareholder (as defined later) of Parsoli Corporation Limited (hereinafter referred to as “Target Company” or “Target”). 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 of the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgment, Form of Withdrawal and the Form of Share Transfer Deed to the Member of the Stock Exchange through whom the said sale was effected.

JOINT OPEN OFFER

BY

Baader Bank Aktiengesellschaft

A stock corporation incorporated under the laws of Germany

Company number: HRB 121537

Office address: Weihenstephaner Straße 4, 85716 Unterschleißheim, near Munich, Germany (Tel. No.: +49 89 5150 0,

Fax: +49 89 5150 1111, Email ID: info@baaderbank.de)

(hereinafter referred to as “Baader Bank”)

AND

Gulf Investment Services Holding Company (S.A.O.G.)

A joint stock company incorporated under the laws of the Sultanate of Oman

Office address: Al Ghazal Tower, 6th floor, next to Central Bank of Oman, Office no. 601, Building no. 1540, Way no. 2724, Hayy El Souq El Mal, CBD Area, City of Muscat, Sultanate of Oman (Tel. No.: +968 2235 0700, Fax: +968 22 35

0745, Email ID: busdev@gisoman.net)

(hereinafter referred to as “GIS”)

(hereinafter Baader Bank and GIS collectively referred to as the “Two Independent Co-Acquirers”/“Acquirers”)

TO ACQUIRE

Upto 45,96,785 equity shares of face value Rs. 10 each, representing the entire shareholding of remaining Public Shareholders, representing 16.40% of the total outstanding, issued and fully paid up equity share capital on a fully diluted basis carrying voting rights as on June 30, 2020

OF

PARSOLI CORPORATION LIMITED (“TARGET COMPANY”)

Registered Office: Shop no. 23, 1st Floor, Crystal Shoppers Paradise, JN. of 24th Road, Plot No. 489, Bandra (West), Mumbai – 400050, Maharashtra, **Corporate Office:** B Wing, 4th Floor, Shalimar Complex, Mahalaxmi Five Roads, Pakli, Ahmedabad – 380007, Gujarat, **Tel. No.:** 079 – 2665 1231, +91 9909974004, **Email ID:** corporation@parsoli.com;

CIN: L65990MH1990PLC059074, **Website:** www.parsoli.com

at a price of Rs. 26 per fully paid up equity share of face value Rs. 10 each (“Offer Price”), payable in cash, calculated in accordance with Regulation 20 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, including amendments thereto (“Takeover Regulations, 1997”).

The Two Independent Co-Acquirers, i.e., Baader Bank and GIS, are not related to each other and are not acting in concert in this Joint Open Offer (also hereinafter referred to as the “Offer”). The Two Independent Co-Acquirers have agreed to come together and have made a ‘joint’ public announcement published on August 28, 2020, instead of making the same individually for the sole purpose of complying with the Securities and Exchange Board of India’s order dated March 2, 2016, in an efficient and timely manner. In this regard, the Two Independent Co-Acquirers have received the approval from Securities and Exchange Board of India for making a joint open offer vide email dated June 16, 2020 addressed to the Manager to the Offer.

1. This Offer is being made by the Acquirers pursuant to and in compliance with Regulation 10 of the Takeover Regulations, 1997.
2. As of the date of the Draft Letter of Offer, to the best of the knowledge of the Acquirers, there are no regulatory or statutory approvals other than the prior approval from the Reserve Bank of India (“RBI”) required for this Offer. If any other statutory approval becomes applicable prior to the completion of the Offer, this Offer would also be subject to such other statutory approval(s).
3. This Offer is not a conditional offer and is not subject to any minimum level of acceptance.
4. If there is any upward revision in the Offer Price by the Acquirers at any time till the last permitted date for revision (i.e., October 22, 2020), the same would be communicated by way of a public announcement in the same newspapers where the public announcement (“PA”) of the Offer has appeared. Such revision in the Offer Price would be payable by the Acquirers for all the equity shares accepted when validly tendered anytime during the Offer.
5. **There is no competitive bid as on the date of the Draft Letter of Offer.**
6. **This Offer is not a competing offer in terms of the Takeover Regulations, 1997.**
7. **Shareholders who have accepted the Offer by tendering their shares and the requisite documents, in terms of the PA /Letter of Offer, can withdraw the same upto three (3) working days prior to the Offer Closing Date.**
8. A copy of the PA and the Letter of Offer (including Form of Acceptance cum Acknowledgment, Form of Withdrawal and Form of Share Transfer Deed) is also available on the website of the Securities and Exchange Board of India (“SEBI”), i.e., at www.sebi.gov.in.

All future correspondence should be addressed to the Manager to the Offer / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>PL CAPITAL MARKETS PRIVATE LIMITED 3rd Floor, Sadhana House, 570, P.B. Marg, Worli, Mumbai - 400 018 Tel:+91 - 22 - 6632 2222; Fax:+91-22 -6632 2229; Website: www.plindia.com Email: pcloseoffer@plindia.com Contact person: Gunjan Jain / Sahana Raghunathan SEBI Registration No.: INM000011237 Validity Period: Permanent</p>	 <p>LINK INTIME INDIA PRIVATE LIMITED C- 101, 1st floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083 Tel: +91 22-4918 6200; Fax: +91 22 4918 6195; Website: www.linkintime.co.in E-mail: parsoli.openoffer@linkintime.co.in Contact Person: Sumeet Deshpande SEBI Registration No.: INR000004058 Validity Period: Permanent</p>
OFFER OPENS ON: Thursday, October 15, 2020(*)	OFFER CLOSES ON: Tuesday, November 3, 2020(*)

(*) Subject to any delay in receipt of letter of observations from SEBI and / or applicable statutory approval(s), including prior approval from RBI. In case there is a change in the Offer timelines, the same will be updated in the Letter of Offer.

SCHEDULE OF ACTIVITIES OF THE OFFER

ACTIVITY	Day and Date
Date of Public Announcement	Friday, August 28, 2020
Last date for filing of Draft Letter of Offer with SEBI	Friday, September 11, 2020, 2020
Last date for a competitive bid	Friday, September 18, 2020
Specified Date (*)	Friday, September 25, 2020
Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer) (**)	Monday, October 5, 2020
Last date by which Letter of Offer is to be dispatched to Shareholders (***)	Friday, October 9, 2020
Date of opening of the Tendering Period	Thursday, October 15, 2020
Last date for revising the Offer Price	Thursday, October 22, 2020
Last date for withdrawal of Form of Acceptance cum Acknowledgement by the Shareholders	Wednesday, October 28, 2020
Date of closing of the Tendering Period	Tuesday, November 3, 2020
Last date by which acceptance / rejection shall be intimated and payment of consideration for accepted shares/ return of shares in case of rejection	Wednesday, November 18, 2020

(*) Specified date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer is to be sent. All owners (registered and unregistered) of the equity shares of the Target Company (except (i) the Acquirers, (ii) persons deemed to be acting in concert with the Acquirers, (iii) the promoters of the Target Company and (iv) the associates and family members of the promoters of the Target Company) are eligible to participate in the Open Offer any time during the Tendering Period.

(**) The 21 day period for SEBI to provide its observations on the Draft Letter of Offer completes on Friday, October 2, 2020 (which is a national holiday), therefore for representation purposes, Monday, October 5, 2020 has been reflected in the table above.

(***) The timeline herein assumes that the dispatch of the letter of offer will be completed within seven (7) days of receipt of comments from SEBI on the Draft Letter of Offer. However, it may be noted, the Acquirers will not dispatch the Letter of Offer for this Open Offer to the Public Shareholders of the Target Company until such time the prior approval is received from RBI as described in para 8.4 of this Draft Letter of Offer.

The above timelines are tentative (prepared on the basis of timelines provided under the Takeover Regulations, 1997) and are subject to change for any reason, including, but not limited to, delays in receipt of approvals (including from RBI) or comments from regulatory authorities.

RISK FACTORS

Given below are certain risks related to the proposed Offer and those associated with the Acquirers and the Target Company.

(A) Risks involved relating to transaction

This is a mandatory offer in compliance with Regulation 10 of the Takeover Regulations, 1997 and the directions issued by SEBI *vide* its order dated March 2, 2016. The transaction which triggered the Open Offer in terms of Regulation 10 of the Takeover Regulations, 1997 was executed on July 24, 2006. At the time, the Acquirers failed to make an Open Offer in compliance with the Takeover Regulations, 1997. Subsequently, pursuant to the SEBI Order (as defined below) dated March 2, 2016 which was upheld by the Securities and Appellate Tribunal by order dated October 10, 2019 followed by order dated January 13, 2020 of the Hon'ble Supreme Court dismissing the appeal filed by Baader Bank, the Acquirers are now making this Open Offer. Therefore, as the transaction has been executed in 2006, the risks related to the transaction are not applicable in this case.

(B) Risks involved relating to the Offer

- (1) In the event that either (a) the statutory or regulatory approvals including the prior approval from the RBI, are not received in a timely manner; or (b) there is any litigation leading to a stay on the Offer by a court of competent jurisdiction; or (c) SEBI instructs the Acquirers not to proceed with the Offer; then the Offer process may be delayed beyond the schedule of activities indicated in the Letter of Offer. Consequently, the payment of consideration to the Public Shareholders of the Target Company, whose equity shares have been validly tendered and accepted in the Offer as well as the return of equity shares not accepted by the Acquirers, may be delayed. In case of delay in receipt of any statutory or regulatory approval, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the Public Shareholders of the Target Company who have accepted the Offer and validly tendered their equity shares within such period, subject to the Acquirers agreeing to pay the interest if any, for the delayed period if directed by SEBI in terms of Regulation 22(12) of the Takeover Regulations, 1997.
- (2) The acquisition of the equity shares tendered by Non-Resident Indian (“NRI”), foreign portfolio investor (“FPI”) and Overseas Corporate Bodies (“OCB”) are subject to approval/exemption, if applicable, from the RBI. NRI, FPI and OCB holders of equity shares, if any, must obtain all requisite approvals required to tender the equity shares held by them pursuant to this Open Offer (including without limitation, the approval from the RBI and/or any such statutory body(s)) and submit such approvals, along with the other documents required in terms of the Letter of Offer.
- (3) The Registrar to the Offer will hold in trust the physical share certificates, the equity shares held in credit of the Special Depository Account and the Form of Acceptance cum Acknowledgement, if any, on behalf of the Public Shareholders of the Target Company who have validly tendered their shares in the Offer.
- (4) The Manager to the Offer and / or the Acquirers accept no responsibility for statements made otherwise than in the Letter of Offer / PA or in any advertisement or any materials issued by or at the instance of the Acquirers. Anyone placing reliance on any other source of information (not issued/ released by the Acquirers) would be doing so at his / her / their own risk.
- (5) The information pertaining to the Target Company contained in the PA or this Draft Letter of Offer or any other advertisement/ publications made in connection with the Open Offer has been compiled from and relied upon from information published or provided by the Target Company, or publicly available sources without independent verification of the same. The Manager to the Offer and / or the Acquirers do not accept any responsibility with respect to any misstatement, incompleteness or misleading information provided, if any, by the Target Company in relation to such information.
- (6) In this Joint Open Offer, the Public Shareholders will have to tender their shares in the off-market mode to the Special Depository Account opened with National Securities Depository Limited, rather than on the stock exchange using the offer to buy window. Please refer para 9.5 of this DLOF for more details on the same. Public Shareholders are advised to review para 9.23, titled “Compliances with Tax Requirements” of this DLOF, and further seek advice from their respective tax advisors / consultants for any additional tax impact.

- (7) The Public Shareholders at the time of tendering must submit all requisite documents as mentioned in paras 9 and 7.3.6 of this Draft Letter of Offer, as applicable, in order for the Registrar and the Manager to the Offer to identify the validity of the tender and the eligibility for Interest Component. Failure to submit such requisite documents may lead to the tender becoming invalid and/or may become ineligible for payment of Interest Component.
- (8) Public Shareholders who have lodged their acceptance to this Open Offer are not entitled to withdraw such acceptance after three (3) working days prior to the date of closure of the Open Offer, even if the acceptance of their equity shares in this Open Offer and payment of consideration are delayed. The Public Shareholders will not be able to trade in such equity shares which have been tendered in the Open Offer. During such period, there may be fluctuations in the market price of the equity shares, in case the suspension from trading in the equity shares of the Target Company is revoked. The Acquirers make no assurance with respect to the market price of the equity shares, both during the period that the Open Offer is open and upon completion of the Open Offer, and disclaim any responsibility with respect to any decision taken by the Public Shareholders with respect to whether or not to participate in the Open Offer. The Public Shareholders will be solely responsible for their decisions regarding their participation in this Open Offer.
- (9) This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirers or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in, any foreign jurisdictions covered under the 'General Disclaimer' clause in Section 2 (Disclaimer Clause) of this Draft Letter of Offer, and cannot be accepted by any means or instrumentality from within any such foreign jurisdictions.
- (10) The Open Offer is being made for securities of an Indian company and Public Shareholders of the Target Company in the U.S., if any, should be aware that this Draft Letter of Offer and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the offer timetable and timing of payments, all of which may differ from those in the United States. Any financial information included in this Draft Letter of Offer or in any other documents relating to the Open Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with the U.S. generally accepted accounting principles.
- (11) The receipt of cash pursuant to the Open Offer by a Public Shareholder of the Target Company may be a taxable transaction for the jurisdiction where the shareholder resides/ files income tax returns. Each Public Shareholder of the Target Company is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Open Offer.
- (12) Other than the Securities and Exchange Board of India which has issued a letter of observation for this Draft Letter of Offer no other securities commission anywhere; neither the U.S. Securities Exchange Commission nor any U.S. State Securities Commission has approved or disapproved the Open Offer or passed any comment upon the adequacy or completeness of this Draft Letter of Offer.
- (13) The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer unless expressly stated otherwise. The Acquirers and the Manager are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.

(C) Risks associated with the Acquirers

- (1) The Acquirers make no assurance with respect to the financial performance or condition of the Target Company and disclaim any responsibility with respect to any decision taken by the shareholders on whether or not to participate in the Offer.
- (2) None of the Acquirers make any assurance with respect to its investment / divestment decisions relating to its proposed shareholding in the Target Company.

- (3) The Acquirers do not provide any assurance with respect to the market price of the equity shares of the Target Company before, during or after the Offer and expressly disclaim any responsibility or obligation of any kind (except as required by the applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in this Offer.
- (4) The Acquirers, neither severally nor jointly, have control over the Target Company and are not seeking to acquire control over the Target Company pursuant to this Open Offer. Kindly note that the Acquirers, neither severally nor jointly, have ever exercised control over the Target Company in the past.
- (5) The Acquirers, in the past, have inadvertently not complied with certain disclosure requirements of the Takeover Regulations, 1997 and / or SEBI PIT Regulations. For details on the non-compliances of the Acquirers please refer paras 4.1.7 and 4.2.9 of this DLOF.

(D) Risks associated with the Target Company

- (1) The Target Company and its promoters, namely, Mr. Zafar Yunus Sareshwala and Mr. Uves Yunus Sareshwala are involved in certain litigation matters with various regulatory authorities. Please refer to paras 6.11, 6.12 and 6.13 of this DLOF for details regarding the said litigation matters. An order in any of the proceedings, adverse to the interest of the Target Company and/or its promoters, may have a material effect on the financial position of the Target Company.
- (2) In the past, the Target Company was prohibited by SEBI from dealing in securities for the period of seven years from the date of SEBI order no. WTM/MSS/ID7/61/2010 dated July 27, 2010 passed by its whole time member. Post the expiry of the said SEBI order, since August 2017 there are no restrictions on the Target Company from buying, selling, or dealing in the securities market. The Target Company has never been termed or classified as a wilful defaulter or fugitive economic offender in terms of applicable SEBI regulations. (*Source: Based on the information provided by the Target Company*)

(Note: As the Acquirers do not have several or joint control over the Target Company, they are unaware of any other risk and / or litigation involving the Target Company. The Manager to the Offer, on behalf of the Acquirers had sought various information / documents that are required to be disclosed in the PA and / or the Letter of Offer, from the Target Company vide its email dated April 29, 2020. The information contained in paras D1 and D2 above has been sourced from such information as provided by the Target Company and some information publicly available like the draft letter of offer dated July 25, 2018 filed with SEBI for and on behalf of the promoters of the Target Company, namely, Mr. Zafar Yunus Sareshwala and Mr. Uves Yunus Sareshwala. Neither the Manager to the Offer nor the Acquirers have independently verified the accuracy of the information on the Target Company contained in paras D1 and D2 above.)

The risk factors set forth above, pertaining to the Offer are not in relation to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. The order of the risk factors is not an indication of the materiality of the risks described or the likelihood of their realisation. Public Shareholders of the Target Company are advised to consult their stockbrokers or investment consultants or other advisers, if any, for analysing all the risks with respect to their participation in the Offer.

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ANNEXED HEREWITH:

- (i) FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT
- (ii) FORM OF WITHDRAWAL
- (iii) FORM OF SHARE TRANSFER DEED

1. DEFINITIONS AND ABBREVIATIONS

Acquirers/ Two Independent Co-Acquirers	(i) Baader Bank Aktiengesellschaft , a stock corporation incorporated on December 1, 1993 under the laws of Germany headquartered at Weihenstephaner Straße 4, 85716 Unterschleißheim, near Munich, Germany, and (ii) Gulf Investment Services Holding Company (S.A.O.G.) , a joint stock company incorporated on January 1, 1995 under the laws of the Sultanate of Oman (Office address: Al Ghazal Tower, 6th floor, next to Central Bank of Oman, Office no. 601, Building no. 1540, Way no. 2724, Hayy El Souq El Mal, CBD Area, City of Muscat, Sultanate of Oman)
Book Value per equity share	Book value per equity share of the Target Company is calculated by dividing the net-worth of the Target Company by number of equity shares issued and outstanding
BSE	BSE Limited
CIN	Corporate Identification Number
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	The Companies Act, 1956, as amended or replaced
Companies Act, 2013	The Companies Act, 2013 to the extent notified by the MCA and in force as of the date of the Letter of Offer
CY/Calendar Year	The calendar year from January 1 to December 31
Depositories	CDSL and NSDL
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP	Depository Participant
DP ID	Depository Participant Identification
Draft Letter of Offer/ DLOF	The Draft Letter of Offer dated September 2, 2020
DTAA	Double Taxation Avoidance Agreement
Equity Shares / Shares	Fully paid-up equity share(s) of the Target Company, having a face value of Rs. 10 each
Eligible Equity Shares	Such Equity Share(s) held by Original Shareholders on which the Interest Component will be paid by the Acquirers in this Open Offer. The terms and conditions for identifying the Equity Shares being eligible for payment of interest are detailed in para 7.3.2 of this Draft Letter of Offer
Escrow Account	Escrow account in the name and style of “Escrow Account Parsoli Corporation Open Offer” bearing Account number 3014171834 opened with Escrow Bank
Escrow Agreement	Escrow agreement dated August 10, 2020 between the Acquirers, Escrow Bank and the Manager to the Offer
Escrow Bank	Kotak Mahindra Bank Limited, a banking company incorporated under Companies Act, 1956 and licensed under the Banking Regulation Act, 1949 and having its registered office at 2nd Floor, 27 BKC, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
EUR	EURO, legal currency of those member states of the European Union pertaining to the European Monetary Union
FEMA	Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, including amendments thereto
FEMA Regulations, 2019	Foreign Exchange Management (Non-Debt Instrument) Regulations, 2019 along with the rules made thereunder
FII	Foreign Institutional Investor
FPI	Foreign Portfolio Investors
Fiscal	The financial year from April 1 to March 31
FVCI	Foreign Venture Capital Investor
FY	Financial Year
Interest Component	The interest component being a part of the consideration to be paid to the Original Shareholders (assuming the date of the payment of the consideration in this Open Offer is November 30, 2020) is Rs. 35.13 per Eligible Equity Share
KYC	Know Your Client
Letter of Offer / LOF	The Letter of Offer dated [●], 2020

Manager to the Offer/ Merchant Banker / PLCM	PL Capital Markets Private Limited, the Merchant Banker appointed by both the Acquirers having its registered office at 3rd Floor, Sadhana House, 570, P.B. Marg, Worli, Mumbai – 400018
NRE	Non-Resident External
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer / Open Offer/ Joint Open Offer	This Joint Open Offer being made by the Acquirers for acquiring upto 45,96,785 fully paid up Equity Shares of face value Rs. 10 each carrying voting rights, representing the entire shareholding of remaining public shareholders, representing 16.40% of the total outstanding, issued and fully paid up equity share capital of the Target Company as on June 30, 2020 (i.e., the latest date as on which the shareholding is publicly available), subject to the terms and conditions mentioned in the Letter of Offer and the PA
Offer Opening Date	Thursday, October 15, 2020
Offer Closing Date	Tuesday, November 3, 2020
Offer Price	Rs. 26 per fully paid up equity share of face value Rs. 10 each, payable in cash
Offer Size	45,96,785 fully paid up Equity Shares of face value Rs. 10 each representing the entire shareholding of remaining public shareholders, representing 16.40% of the total outstanding, issued and fully paid up equity share capital of the Target Company as on June 30, 2020 (i.e., the latest date as on which the shareholding is publicly available)
Original Shareholders	Original shareholders being those registered Public Shareholders who were holding Equity Share(s) as on the Trigger Date, i.e., July 24, 2006 and continue to hold the same Equity Share(s) without a break till the date of tendering those Equity Share(s) in this Open Offer
PAN	Permanent Account Number
PAT	Profit After Tax
PIO	Persons of Indian Origin
Public Announcement/ PA / Joint Public Announcement	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirers on Friday, August 28, 2020 in accordance with the Takeover Regulations, 1997
Public Shareholders/ Shareholders	All owners of fully paid equity shares, registered or unregistered, of the Target Company (except (i) the Acquirers, (ii) persons deemed to be acting in concert with the Acquirers, (iii) the promoters of the Target Company and (iv) the associates and family members of the promoters of the Target Company)
QFI	Qualified Foreign Investor
RBI	Reserve Bank of India
Registrar or Registrar to the Offer	Link Intime India Private Limited, incorporated under the Companies Act, 1956 having its registered office at C- 101, 247 Park, 1st floor, L.B.S. Marg, Vikhroli West, Mumbai – 400083
RO	Omani Rial, currency of the Sultanate of Oman
Maximum Consideration	Rs. 28,10,01,468 (rupees twenty eight crores ten lakhs one thousand four hundred and sixty eight only), i.e., the total funds required for the Offer (assuming full acceptances and the date of payment of consideration to be November 30, 2020) for the acquisition of upto 45,96,785 Equity Shares from the Public Shareholders of the Target Company calculated at the Offer Price of Rs. 26 per fully paid up equity share of face value Rs. 10 each including the Interest Component to be paid to all the Public Shareholders
INR / Rs. / rupees	Indian Rupees
SAT	Securities Appellate Tribunal, a statutory body established under the provisions of Section 15K of the Securities and Exchange Board of India Act, 1992
SEBI	Securities and Exchange Board of India
SEBI PIT Regulations, 1992 / SEBI PIT Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, including amendments thereto
SEBI PIT Regulations, 2015	SEBI (Prohibition of Insider Trading) Regulations, 2015, including amendments thereto
SEBI (SAST) Regulations / Takeover Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, including amendments thereto
SEBI Takeover	Securities and Exchange Board of India (Substantial Acquisition of Shares and

Regulations, 2011/ Takeover Regulations, 2011	Takeovers) Regulations, 2011, including amendments thereto
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereto
Special Depository Account	A depository account opened with National Securities Depository Limited through Ventura Securities Limited by the Registrar to the Offer in which all the shares tendered by the Public Shareholders will be held
Target Company/ Company	Parsoli Corporation Limited
Tendering Period	Period commencing from Thursday, October 15, 2020 to Tuesday, November 3, 2020 (both days included)
Trigger Date	Trigger date being the date on which the Acquirers triggered the provisions of the Takeover Regulations, 1997, and were obligated to make an open offer, in this case being July 24, 2006
U.A.E.	United Arab Emirates
U.S./ United States	United States of America
Working Day(s)	A working day of SEBI, as defined in Regulation 2(1)(p) of the Takeover Regulations, 1997

Note: All terms beginning with a capital letter used in this Draft Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the Takeover Regulations, 1997, unless specified otherwise.

2. **DISCLAIMER CLAUSE**

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF PAROLI CORPORATION LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, PL CAPITAL MARKETS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 2, 2020 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCE AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.”

UNITED STATES OF AMERICA

THE OPEN OFFER IS BEING MADE FOR SECURITIES OF AN INDIAN COMPANY AND PUBLIC SHAREHOLDERS OF THE TARGET COMPANY IN THE U.S. SHOULD BE AWARE THAT THIS DRAFT LETTER OF OFFER AND ANY OTHER DOCUMENTS RELATING TO THE OPEN OFFER HAVE BEEN OR WILL BE PREPARED IN ACCORDANCE WITH INDIAN PROCEDURAL AND DISCLOSURE REQUIREMENTS, INCLUDING REQUIREMENTS REGARDING THE OPEN OFFER TIMETABLE AND TIMING OF PAYMENTS, ALL OF WHICH DIFFER FROM THOSE IN THE U.S. ANY FINANCIAL INFORMATION INCLUDED IN THIS DRAFT LETTER OF OFFER OR IN ANY OTHER DOCUMENTS RELATING TO THE OPEN OFFER HAS BEEN OR WILL BE PREPARED IN ACCORDANCE WITH NON-U.S. ACCOUNTING STANDARDS THAT MAY NOT BE COMPARABLE TO FINANCIAL STATEMENTS OF COMPANIES IN THE U.S. OR OTHER COMPANIES WHOSE FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. THE RECEIPT OF CASH PURSUANT TO THE OPEN OFFER BY A PUBLIC SHAREHOLDER OF THE TARGET COMPANY MAY BE A TAXABLE TRANSACTION FOR U.S. FEDERAL INCOME TAX PURPOSES AND UNDER APPLICABLE U.S. STATE AND LOCAL, AS WELL AS FOREIGN AND OTHER, TAX LAWS. EACH PUBLIC SHAREHOLDER OF THE TARGET COMPANY IS URGED TO CONSULT HIS INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY REGARDING THE TAX CONSEQUENCES OF ACCEPTING THE OPEN OFFER. IT MAY BE DIFFICULT FOR U.S. HOLDERS OF EQUITY SHARES TO ENFORCE THEIR RIGHTS AND ANY CLAIMS THEY MAY HAVE ARISING UNDER THE U.S. FEDERAL SECURITIES LAWS IN CONNECTION WITH THE OPEN OFFER, SINCE THE TARGET COMPANY, THE ACQUIRERS ARE INCORPORATED IN COUNTRIES OTHER THAN THE U.S., AND SOME OR ALL OF THEIR OFFICERS AND DIRECTORS MAY BE RESIDENTS OF COUNTRIES OTHER THAN THE U.S. U.S. HOLDERS OF EQUITY SHARES IN THE TARGET COMPANY MAY NOT BE ABLE TO SUE THE TARGET COMPANY, THE ACQUIRERS, OR THEIR RESPECTIVE OFFICERS OR DIRECTORS IN A NON-U.S. COURT FOR VIOLATIONS OF U.S. SECURITIES LAWS. FURTHER, IT MAY BE DIFFICULT TO COMPEL THE TARGET COMPANY, THE ACQUIRERS, OR THEIR RESPECTIVE AFFILIATES TO SUBJECT THEMSELVES TO THE JURISDICTION OR JUDGMENT OF A U.S. COURT. NEITHER THE U.S. SECURITIES EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OPEN OFFER, OR PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS DRAFT LETTER OF OFFER. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE U.S.

GENERAL DISCLAIMER

THIS DRAFT LETTER OF OFFER TOGETHER WITH THE PUBLIC ANNOUNCEMENT IN CONNECTION WITH THE OPEN OFFER, HAVE BEEN PREPARED FOR THE PURPOSES OF COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS OF INDIA, INCLUDING THE SEBI ACT AND THE TAKEOVER REGULATIONS, 1997, AND HAS NOT BEEN REGISTERED OR APPROVED UNDER ANY LAWS OR REGULATIONS OF ANY COUNTRY OUTSIDE OF INDIA. THE DISCLOSURES IN THIS DRAFT LETTER OF OFFER AND THE OPEN OFFER PARTICULARS INCLUDING BUT NOT LIMITED TO THE OFFER PRICE, OFFER SIZE AND PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER ARE GOVERNED BY TAKEOVER REGULATIONS, 1997, AND OTHER APPLICABLE LAWS, RULES AND REGULATIONS OF INDIA, THE PROVISIONS OF WHICH MAY BE DIFFERENT FROM THOSE OF ANY JURISDICTION OTHER THAN INDIA. ACCORDINGLY, THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS AND REGULATIONS OF ANY JURISDICTION OUTSIDE OF INDIA. THE INFORMATION CONTAINED IN THIS DRAFT LETTER OF OFFER IS AS OF THE DATE OF THIS DRAFT LETTER OF OFFER. THE ACQUIRERS, THE MANAGER TO THE OFFER AND ANY DEEMED PERSONS ACTING IN CONCERT WITH THE ACQUIRERS ARE UNDER NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AT ANY TIME AFTER THE DATE OF THIS DRAFT LETTER OF OFFER. NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT THIS OPEN OFFER IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. THE LETTER OF OFFER SHALL BE DISPATCHED TO ALL PUBLIC SHAREHOLDERS HOLDING THE EQUITY SHARES WHOSE NAMES APPEAR IN THE RECORDS OF DEPOSITORIES, AT THEIR STATED ADDRESS, AS OF THE IDENTIFIED DATE. HOWEVER, RECEIPT OF THE LETTER OF OFFER BY ANY PUBLIC SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS OPEN OFFER, OR WHERE MAKING THIS OPEN OFFER WOULD REQUIRE ANY ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THE LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS OF SUCH JURISDICTION), SHALL NOT BE TREATED BY SUCH PUBLIC SHAREHOLDER AS AN OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY. PERSONS IN POSSESSION OF THE LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY PUBLIC SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THIS OPEN OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THIS OPEN OFFER.

The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer or in the PA or in any advertisement or other announcement issued by, or at the instance of the Acquirers and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so entirely at his /her/ their own risk.

3. DETAILS OF THE JOINT OFFER

3.1 Background of the Joint Offer

- 3.1.1 Baader Bank Aktiengesellschaft (“**Baader Bank**”) and Gulf Investment Services Holding Company (S.A.O.G.) (“**GIS**”) are the Acquirers for the purpose of this Joint Open Offer.
- 3.1.2 The Two Independent Co-Acquirers, i.e., Baader Bank and GIS, are not related to each other and are not acting in concert in this Open Offer. The Two Independent Co-Acquirers have agreed to come together and have made a ‘joint’ public announcement published on August 28, 2020, instead of making the same individually for the sole purpose of complying with SEBI’s order dated March 2, 2016 (“**SEBI Order**”), in an efficient and a timely manner. In this regard, the Two Independent Co-Acquirers have received the approval from Securities and Exchange Board of India for making a joint open offer *vide* email dated June 16, 2020, addressed to the Manager to the Offer.
- 3.1.3 This is a mandatory offer in compliance with Regulation 10 of the Takeover Regulations, 1997 and the directions issued by SEBI *vide* the SEBI Order, confirmed by the SAT *vide* its order dated October 10, 2019. The transaction which triggered the Open Offer obligations was done when the Takeover Regulations, 1997 (since repealed) were in force. This Offer has been made with the object of complying with the SEBI Order and SAT Order as described in paras 3.1.2 above and 3.1.6 (c) below. In accordance with Regulation 35(2)(b) of the Takeover Regulations, 2011, any obligation or liability acquired, accrued or incurred under the repealed Takeover Regulations, 1997 shall remain unaffected as if the repealed Takeover Regulations, 1997 have never been repealed. Accordingly, this Open Offer is being undertaken and completed in accordance with the now repealed Takeover Regulations, 1997 as if the same have never been repealed.
- 3.1.4 The Acquirers are not in control of the Target Company, neither severally nor jointly, and they are not acquiring several or joint control of the Target Company pursuant to this Open Offer in terms of Regulation 12 of the Takeover Regulations, 1997.
- 3.1.5 Transaction which has triggered the Open Offer obligations (transaction):
- a) On April 20, 2006, Baader Bank subscribed to and was allotted 10,00,139 Equity Shares of the Target Company at a price of Rs. 26 per equity share for cash, aggregating to Rs. 2,60,03,614 (rupees two crores sixty lakhs three thousand six hundred and fourteen only) and 3,50,000 equity shares of the Target Company at a price of Rs. 26 per equity share for consideration other than cash on a preferential basis, both aggregating 9.08% of the then paid-up equity share capital of the Target Company. Thereafter, on July 24, 2006, Baader Bank further subscribed to and was allotted 53,54,861 equity shares of the Target Company at a price of Rs. 22 per equity share aggregating to Rs. 11,78,06,942 (rupees eleven crores seventy eight lakhs six thousand nine hundred and forty two only) on a preferential basis. Upon allotment of equity shares on July 24, 2006, Baader Bank cumulatively held 24.90% of the then paid-up equity share capital of the Target Company, and thereby triggered the obligation to make a public announcement under Regulation 10 of the Takeover Regulations, 1997.
 - b) On July 24, 2006, GIS subscribed to and was allotted 53,84,980 equity shares of the Target Company at a price of Rs. 22 per equity share for cash, aggregating to Rs. 11,84,69,560 (rupees eleven crores eighty four lakhs sixty nine thousand five hundred and sixty only) on a preferential basis. Pursuant to this allotment, GIS held 20.00% of the then paid-up equity share capital of the Target Company, which triggered the obligation on GIS to make a public announcement under Regulation 10 of the Takeover Regulations, 1997.
 - c) Thus, pursuant to the preferential allotment of July 24, 2006, the shareholding of GIS had increased from NIL to 20% shares in the Target Company and the shareholding of Baader Bank had increased from 9.08% to 24.90% in the Target Company. As the shareholdings of Baader Bank and GIS individually breached the limit of 15% of the then paid-up equity share capital of the Target Company, both Baader Bank and GIS individually triggered their independent obligations to make a public announcement under regulation 10 of the Takeover Regulations, 1997.

3.1.6 Reasons for delay in making the Open Offer:

- a) On December 14, 2010, SEBI issued separate show cause notices (“SCN”) to the Acquirers for their failure in making the requisite open offer under Regulation 10 read with Regulation 14(1) of Takeover Regulations, 1997.
- b) After considering the SCNs issued to the Acquirers and the replies/ submissions made thereon, the whole time member of SEBI on March 2, 2016, passed an order directing GIS and Baader Bank to make a public announcement for acquiring the equity shares of the Target Company in accordance with the Takeover Regulations, 1997 and to pay interest to the public shareholders (who were holding shares in the Target Company on the date of violation and whose shares are accepted in the open offer), at the rate of 10% *per annum* from October 30, 2006 till the date of payment of consideration, after adjustment of dividend paid.
- c) On April 4, 2016, Baader Bank (in Appeal No. 88 of 2016) and on April 6, 2016 GIS (in Appeal No. 89 of 2016) challenged the SEBI Order before the Securities Appellate Tribunal (“SAT”). After hearing the parties at length, SAT rejected the contentions/ submissions advanced by GIS and Baader Bank and upheld the SEBI Order *vide* its order dated October 10, 2019 (“SAT Order”).
- d) Thereafter, on December 9, 2019, Baader Bank filed an appeal before the Hon’ble Supreme Court (Civil Appeal No. 36 of 2020) and challenged the SAT Order. However, the Hon’ble Supreme Court *vide* its order dated January 13, 2020, dismissed the appeal filed by Baader Bank.
- e) Accordingly, the SEBI Order attained finality. Thus, in terms of the SEBI Order, GIS and Baader Bank have made a public announcement published on August 28, 2020 to acquire shares of the Target Company in accordance with the Takeover Regulations, 1997.

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

3.1.8 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto (“SEBI Act, 1992”) or any other regulations made under the SEBI Act, 1992.

3.1.9 In the past, the Target Company was prohibited by SEBI from dealing in securities for the period of seven years from the date of SEBI order no. WTM/MSS/ID7/61/2010 dated July 27, 2010 passed by its whole time member. Post the expiry of the said SEBI order, since August 2017 there are no restrictions on the Target Company from buying, selling, or dealing in the securities market. The Target Company has never been termed or classified as a wilful defaulter or fugitive economic offender in terms of applicable SEBI regulations. (*Source: Based on the information provided by the Target Company*).

3.1.10 As on the date of this Draft Letter of Offer, none of the person(s) forming part of the board of directors of the respective Acquirers are on the Board of Directors of the Target Company.

3.1.11 Since the Acquirers do not have control of the Target Company and further pursuant to this Open Offer are not intending to acquire control of the Target Company, the Acquirers do not have the power/ right to seek a reconstitution of the Board of Directors of the Target Company.

3.2 Details of the proposed Offer

3.2.1 In accordance with Regulation 15 of the Takeover Regulations, 1997, the Manager to the Offer, on behalf of the Acquirers, made a PA on Friday, August 28, 2020, which was published in the following newspapers:

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

Note: The PA is also available on SEBI’s website at www.sebi.gov.in.

- 3.2.2 This Open Offer is being made by the Acquirers to all the Public Shareholders of the Target Company to acquire upto 45,96,785 fully paid up equity shares of face value Rs. 10 each carrying voting rights, representing the entire shareholding of remaining public shareholders, representing 16.40% of the total equity share capital of the Target Company as on June 30, 2020 (i.e., the latest date as on which the shareholding is publicly available) (“**Offer Size**”) at a price of Rs. 26 per fully paid up equity share (“**Offer Price**”) calculated in accordance with Regulation 20 of the Takeover Regulations, 1997. Further, it should be noted that *vide* the SEBI Order, the promoters of the Target Company, their associates and family members cannot tender their equity shares in this Open Offer being made by the Acquirers.
- 3.2.3 Additionally, in compliance with the SEBI Order, the Acquirers have to pay an interest of 10% *per annum* from October 30, 2006 onwards till the date of the payment of consideration of this Open Offer, to all the Original Shareholders. The interest component to be paid to the Original Shareholders (assuming the date of the payment of the consideration in this Open Offer is November 30, 2020) is Rs. 35.13 per Eligible Equity Share (“**Interest Component**”).
- 3.2.4 Accordingly, the maximum consideration (in case the date of payment of consideration is November 30, 2020, assuming full acceptance in the Offer and the Interest Component is paid to all the Public Shareholders) aggregates to Rs. 28,10,01,468 (rupees twenty eight crores ten lakhs one thousand four hundred and sixty eight only) (“**Maximum Consideration**”), payable in cash, in accordance with the applicable provisions of the Takeover Regulations, 1997, subject to the terms and conditions set out in the PA and the Letter of Offer.
- 3.2.5 It is to be distinctly understood that in case the date of the payment of the consideration (as assumed herein) goes beyond November 30, 2020, the Interest Component as stated in para 3.2.3 above shall increase; and vice-versa, in case the date of the payment of the consideration falls before November 30, 2020, the Interest Component as stated in para 3.2.3 above will reduce accordingly. Consequently, the Maximum Consideration as stated in para 3.2.4 above may also undergo a change.
- 3.2.6 The shareholding of the Acquirers in the Target Company as on the date on which the PA was required to be made (i.e., July 28, 2006) is given below:

Name of the Acquirer	Total no. of equity shares held (*)	% of the shareholding (**)
Baader Bank	67,05,000	24.90%
GIS	53,84,980	20.00%

(*) For details of these equity shares acquired by the Acquirers, please refer para 3.1.5 (a) and 3.1.5 (b) above.

(**) The above details are based on the shareholding pattern as on September 30, 2006, i.e., the shareholding information of the Target Company, publicly available for the quarter ending immediately after the trigger date, i.e., July 24, 2006.

- 3.2.7 The details of the shareholding of the Acquirers in the Target Company as on the date of publication of the PA is given below:

Name of the Acquirer	Total no. of equity shares held as on the date of the PA	% of the shareholding as on the date of the PA (**)
Baader Bank (*)	69,53,417	24.81%
GIS	53,84,980	19.21%

(*) The shareholding of Baader Bank as given in para 3.2.6 above is as of the Trigger Date. After the said Trigger Date, Baader Bank has sold 800,000 equity shares during the financial year 2007-08. Additionally, on November 2, 2009, the Target Company has allotted Baader Bank 10,48,417 equity shares (less than 5% of the post allotment equity share capital) pursuant to the conversion of fully convertible debentures issued to Baader Bank on April 20, 2007.

(**) The above details are based on the shareholding pattern as on June 30, 2020, i.e., the latest shareholding information of the Target Company publicly available on BSE’s website.

- 3.2.8 Neither the Acquirers nor any of their directors have acquired any equity shares of the Target Company in the twelve (12) months period prior to the date of the PA (i.e., Friday, August 28, 2020).

- 3.2.9 Apart from the Acquirers acquiring equity shares of the Target Company, none of their directors have acquired any equity shares of the Target Company in the twelve (12) months period prior to the date on which the PA was required to be made, i.e., July 28, 2006. For details of the equity shares of the Target Company acquired by the Acquirers during the twelve (12) months period prior to the date of on which the PA was required to be made, please refer paras 3.1.5 and 3.2.6 above.
- 3.2.10 The Acquirers have not acquired any equity shares of the Target Company after the date of the PA (i.e., Friday, August 28, 2020) upto the date of this Draft Letter of Offer.
- 3.2.11 This is not a conditional offer and is not subject to any minimum level of acceptance from the Public Shareholders.
- 3.2.12 Both the Acquirers are not related to each other. The Acquirers have agreed to come together to make this Joint Open Offer for the sole purpose of complying with the SEBI Order in a timely and an efficient manner. The Acquirers are neither acting in concert with each other nor are there any persons acting in concert with them (jointly or severally) for the purpose of this Open Offer.
- 3.2.13 As on the date of this Draft Letter of Offer, the Manager to the Offer does not hold any equity shares of the Target Company. The Manager to the Offer hereby declares and undertakes that it shall not deal in the equity shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the date of closure of the Open Offer.
- 3.2.14 This is not a competing offer in terms of the Takeover Regulations, 1997. There is an ongoing open offer made by the promoters of the Target Company, namely, Mr. Zafar Yunus Sareshwala and Mr. Uves Yunus Sareshwala who have made a public announcement on, July 12, 2018 and filed with SEBI a draft letter of offer dated, July 25, 2018, in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. As on the date of this Draft Letter of Offer, the said open offer being made by the said promoters of the Target Company is pending to be completed.
- 3.2.15 There is no competitive bid as on the date of this Draft Letter of Offer.
- 3.2.16 There is no differential pricing for this Open Offer.

3.3 Objects of the acquisition / Offer

- 3.3.1 This Open Offer is a mandatory offer in terms of and in compliance with Regulation 10 of the Takeover Regulations, 1997 read together with the SEBI Order, consequent to the preferential allotment made on April 20, 2006 to Baader Bank by the Target Company taken together with the preferential allotment made on July 24, 2006 to the Acquirers by the Target Company. The acquisition of equity shares by the Acquirers pursuant to the above said preferential allotments resulted in their individual shareholding exceeding the limit of 15% and hence it was a substantial acquisition of shares and voting rights, without a change in control or management of the Target Company. The said transactions done on July 24, 2006 triggered the obligation of the Acquirers to make a public announcement in terms of and in compliance with the Takeover Regulations, 1997. Pursuant to the SEBI Order and in order to comply with the same, the Acquirers have made a PA published on August 28, 2020 to acquire the equity shares from the Public Shareholders of the Target Company in terms of the Offer Size. Further, the transaction which triggered the Open Offer obligations was done when the Takeover Regulations, 1997 (since repealed) were in force. This Offer has been made with the object of complying with the SEBI Order and SAT Order as described in paras 3.1.2 and 3.1.6 (c) above. In accordance with Regulation 35(2)(b) of the Takeover Regulations, 2011, any obligation or liability acquired, accrued or incurred under the repealed Takeover Regulations, 1997 shall remain unaffected as if the repealed Takeover Regulations, 1997 have never been repealed. Accordingly, this Open Offer is being undertaken and completed in accordance with the now repealed Takeover Regulations, 1997 as if the same have never been repealed.
- 3.3.2 Since the Acquirers neither have control of the Target Company, nor are acquiring control of the Target Company pursuant to this Open Offer, neither can the Acquirers modify the present structure of the business, nor can they reorganize the same in any manner.

4. BACKGROUND OF THE ACQUIRERS

4.1 Baader Bank Aktiengesellschaft

4.1.1 Baader Bank Aktiengesellschaft (“**Baader Bank**”) was incorporated as a stock corporation on December 1, 1993 under the laws of Germany (Company number: HRB 121537). It is headquartered at Weihenstephaner Straße 4, 85716 Unterschleißheim, near Munich, Germany, Tel: +49 89 5150 0, Fax: +49 89 5150 1111, E-mail: info@baaderbank.de. After incorporation, Baader Bank has changed its name from ‘Baader Wertpapierhandelsbank Aktiengesellschaft’ to “Baader Bank Aktiengesellschaft” on August 12, 2008.

4.1.2 Baader Bank is engaged in the business segments of market making, capital markets, multi asset brokerage, asset management services, banking services and research. It is registered with the financial regulatory authority of Germany, i.e., the Federal Financial Supervisory Authority (BaFin).

4.1.3 Baader Bank belongs to the ‘Baader Bank’ group.

4.1.4 Mr. Uto Baader is Baader Bank’s founder and former Chairman of the board of directors of Baader Bank and presently holds 0.30% of the shares of Baader Bank. Baader Beteiligungs GmbH, a corporate entity, holding 63.40% of the equity shares of Baader Bank, is the promoter of Baader Bank. Mr. Uto Baader consequent to his indirect controlling shareholding in Baader Beteiligungs GmbH is deemed to be the person having control over Baader Bank.

4.1.5 The shareholding details of Baader Bank as on date is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares held	% of shareholding
1	Baader Beteiligungs GmbH	2,91,06,104	63.40
2	Ubtrend GmbH & Co. KG	24,92,841	5.43
3	Mr. Uto Baader	1,37,726	0.30
4	Public shareholders	1,41,72,010	30.87
	Total	4,59,08,682	100

4.1.6 The details of acquisition of equity shares of the Target Company by Baader Bank are given below:

- a) On April 20, 2006, Baader Bank subscribed to and was allotted 10,00,139 equity shares of the Target Company at a price of Rs. 26 per equity share for cash, aggregating to Rs. 2,60,03,614 (rupees two crores sixty lakhs three thousand six hundred and fourteen only) and 3,50,000 equity shares of the Target Company at a price of Rs. 26 per equity share for consideration other than cash on a preferential basis, comprising to an aggregate of 9.08% of the then paid-up equity share capital of the Target Company.
- b) On July 24, 2006, Baader Bank further subscribed to and was allotted 53,54,861 equity shares of the Target Company at a price of Rs. 22 per equity share for cash, aggregating to Rs. 11,78,06,942 (rupees eleven crores seventy eight lakhs six thousand nine hundred and forty two only) on a preferential basis, representing 19.89% of the post allotment paid-up equity share capital of the Target Company.
- c) Baader Bank sold 8,00,000 equity shares of the Target Company during the FY2007-08.
- d) On November 2, 2009, Baader Bank was allotted 10,48,417 equity shares at a price of Rs. 272 per equity share, representing 3.74% of the post conversion paid-up equity share capital of the Target Company pursuant to the conversion of fully convertible debentures issued to Baader Bank on April 20, 2007.
- e) As on date of this DLOF the total equity shareholding of Baader Bank in the Target Company is 69,53,417 Equity Shares, representing 24.81% of the total outstanding, issued and paid up equity share capital of the Target Company, as on June 30, 2020.
- f) For status of compliance with the applicable provisions of the Takeover Regulations, 1997 and SEBI PIT Regulations pertaining to the acquisitions made by Baader Bank in the Target Company (as disclosed in (a) to (d) above), please refer para 4.1.7 below.

4.1.7 Baader Bank has complied with the applicable provisions of Chapter II of Takeover Regulations, 1997 and SEBI PIT Regulations except as stated below:

Status of compliance/non-compliance with provisions of Chapter II of Takeover Regulations, 1997:

Sr. No.	Regulation/ Sub-regulation	Due Date for compliance in the regulation	Actual date of compliance	Delay, if any (in No. of days) (Col. 4-Col.3)	Status of compliance with Takeover Regulations, 1997
1	2	3	4	5	6
1	7(1) & 2 ^(*)	April 22, 2006	November 18, 2009	1,306 ^(^)	Complied
2	7(1) & 2 ^(*)	July 26, 2006	November 18, 2009	1,211 ^(^)	Complied
3	8(1) ^(^^)	April 21, 2007	November 18, 2009	942	Complied
4	7(1A) & 2 ^(*)	October 07, 2007	November 18, 2009	773 ^(^)	Complied
5	8(1) ^(^^)	April 21, 2008	November 18, 2009	576	Complied
6	8(1) ^(^^)	April 21, 2009	November 18, 2009	211	Complied
7	7(1A) & 2	December 13, 2009	December 18, 2009	5 ^(^^)	Non-compliance
8	8(1)	April 21, 2010	(#)	(#)	Non-compliance
9	8(1)	April 21, 2011	(#)	(#)	Non-compliance

(*) Baader Bank suo moto proposed settlement of violations of certain provisions of the Takeover Regulations, 1997 and the SEBI PIT Regulations in relation to the investment made by it in the Target Company during the period of 2006 - 2009, including the delayed compliances as mentioned in sr. nos. 1-6 above, through a consent order vide letter dated April 16, 2009. Vide a common consent order of SEBI dated April 15, 2010, such delayed compliances were settled.

(^) Based on the records available on BSE's website, the requisite filing with BSE was made on November 12, 2009 and the filing with the Target Company was made on November 18, 2009. The delay in number of days herein has been captured based on the filing of the latter.

(^^) Based on the records available on BSE's website, the requisite filing with BSE was made on December 15, 2009 and the filing with the Target Company was made on December 18, 2009. The delay in number of days herein has been captured based on the filing of the latter.

(#) Baader Bank has not made the requisite filings in compliance with Regulation 8(1) of the Takeover Regulations, 1997 for the financial years 2010 and 2011.

Status of compliance/non-compliance with the provisions of SEBI PIT Regulations:

Sr. No.	Regulation / Sub-regulation	Due Date for compliance in the regulation	Actual date of compliance	Delay, if any (in No. of days) (Col. 4-Col.3)	Status of compliance with SEBI PIT Regulations
1	2	3	4	5	6
1	13(1) ^(*)	April 26, 2006	November 18, 2009	1,302	Complied
2	13(3) ^(*)	July 28, 2006	November 18, 2009	1,209	Complied
3	13(3)	October 11, 2007	(#)	(#)	Non-compliance
4	13(3)	December 17, 2009	December 18, 2009	1	Non-compliance

(*) Baader Bank suo moto proposed settlement of violations of certain provisions of the Takeover Regulations, 1997 and the SEBI PIT Regulations in relation to the investment made by it in the Target Company during the period of 2006 - 2009, including the delayed compliances as mentioned in sr. nos. 1-2 above, through a consent order vide letter dated April 16, 2009. Vide a common consent order of SEBI dated April 15, 2010, such delayed compliances were settled.

(#) Baader Bank has not made the requisite filing in compliance with Regulation 13(3) of SEBI PIT Regulations.

4.1.8 The details of the board of directors of Baader Bank as on the date of this DLOF is given below:

Name of the director and Designation	Residential address	Educational qualifications and Experience	Date of appointment
Nico Baader (Chairman)	Tassilostraße 4 82166 Gräfelfing Germany	He has completed his studies at the Technical College (Business) and subsequently completed a course in Business Studies from the Munich University of Applied Sciences (<i>Fachhochschule München</i>). He founded a consulting firm in 1994 to manage initial public offerings (IPOs), equity research and investor relations. Prior to that, he gained experience in the stock broking business and trained as a banker at Bayerische Vereinsbank in Munich. Since the year 2000, he has been involved in Baader Bank's development from providing stock broking services to a full service bank. He has an experience of over 30 years in the field of stock broking business and market making.	July 1, 2015
Dieter Brichmann (Deputy Chairman)	Fliederstrasse 12 82377 Penzberg Germany	He has completed his graduation in Economic Sciences and holds an academic degree 'Diplom-Kaufmann' from the 'Justus-Liebig-Universität Giessen'. He started his career as an audit assistant at an audit firm. He was a team leader at the Frankfurt head office of the Bank für Gemeinwirtschaft between 1987 and 1990. Later, he spent 4 years working as 'Head of Finance and Accounting' at Heimstatt Bauspar AG. He joined Baader Bank in March 1999 and was responsible for finance and accounting. He is currently the Chief Financial Officer of Baader Bank. He has an experience of over 30 years in the field of finance and accounting.	July 1, 2015
Oliver Riedel (Member)	Fichtenstrasse 7 91207 Lauf Germany	He has completed the officially recognized training occupation 'Banker', certified by the Chamber of Industry and Commerce, Nürnberg, Germany. He began his career as an equities and derivatives trader at Bayerische Landesbank and Schmidt Bank. He moved to Hypo Vereinsbank in 2000, where he held various managerial positions including 'Global Head of Cash Equity Trading and Sales' and 'Head of Equities Germany'. He joined Baader Bank in 2010 and helped set up its investment banking, which is now divided into various divisions. He has an experience of over 25 years in the field of cash equity trading and sales trading.	July 1, 2015

4.1.9 As on date, none of the directors as mentioned above in para 4.1.8 are on the board of directors of the Target Company. Thus, disclosure in terms of Regulation 22(9) of the Takeover Regulations, 1997 is not applicable.

4.1.10 For the purpose of this Draft Letter of Offer, Baader Bank's key financial information based on its audited consolidated financial statements as of and for the financial years ended December 31, 2019, December 31, 2018 and December 31, 2017; and unaudited condensed interim financial statements of Baader Bank as of and for the six months period ended June 30, 2020 are as follows:

Profit and Loss Statement	For the six months period ended June 30, 2020		Financial Year ended December 31, 2019		Financial Year ended December 31, 2018		Financial Year ended December 31, 2017	
	(In Euro Lakhs)	(In Rs. Lakhs)	(In Euro Lakhs)	(In Rs. Lakhs)	(In Euro Lakhs)	(In Rs. Lakhs)	(In Euro Lakhs)	(In Rs. Lakhs)
Income from operations	983.88	87,441.06	902.69	80,225.40	951.16	84,533.11	1,178.59	1,04,745.65
Other income	15.53	1,380.21	140.67	12,501.86	29.71	2,640.44	20.32	1,805.91
Total income	999.41	88,821.26	1,043.36	92,727.26	980.87	87,173.55	1,198.91	1,06,551.57
Total expenditure	486.86	43,269.05	911.26	80,987.05	1,000.71	88,936.80	972.88	86,463.45
Profit before depreciation, amortization, interest, share of results of an associate	512.55	45,552.21	26.57	2,361.37	(19.50)	(1,733.04)	240.29	21,355.46
Depreciation and amortization expenses	16.73	1,486.86	90.01	7,999.52	109.16	9,701.45	141.21	12,549.86
Depreciation and value adjustments on equity investments, share in affiliated companies and securities treated as assets	-	-	30.88	2,744.42	12.00	1,066.48	42.23	3,753.14
Depreciation, amortization and write downs on receivables and certain securities as well as allocation for provisions in the lending business	86.12	7,653.80	10.53	935.84	52.75	4,688.09	-	-
Expenses from the addition of fund for general banking risks	194.00	17,241.50	-	-	-	-	-	-
Profit/ (loss) before tax	215.70	19,170.06	0.68	60.43	(193.75)	(17,219.28)	42.59	3,785.13
Taxes on Income	53.52	4,756.52	4.83	429.26	16.49	1,465.53	19.77	1,757.03
Profit/ (loss) after tax before minority interests	162.18	14,413.54	(4.15)	(368.83)	(210.24)	(18,684.81)	22.82	2,028.10

Balance sheet statement	For the six months period ended June 30, 2020		As at December 31, 2019		As at December 31, 2018		As at December 31, 2017	
	(In Euro Lakhs)	(In Rs. Lakhs)	(In Euro Lakhs)	(In Rs. Lakhs)	(In Euro Lakhs)	(In Rs. Lakhs)	(In Euro Lakhs)	(In Rs. Lakhs)
Sources of funds								
Paid up share capital	456.32	40,554.85	456.32	40,554.85	456.32	40,554.85	456.32	40,554.85
Reserves and surplus (excluding revaluation reserves)	415.83	36,956.35	283.06	25,156.59	287.07	25,512.97	509.63	45,292.70
Net worth	872.15	77,511.20	739.38	65,711.44	743.39	66,067.82	965.95	85,847.55
Minority interest	-	-	8.25	733.21	16.90	1,501.97	8.61	765.20
Funds for general banking risks	310.35	27,581.95	116.20	10,327.12	221.20	19,658.86	221.20	19,658.86
Secured loans	-	-	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	-	-	-
Provisions	213.20	18,947.87	123.37	10,964.35	132.52	11,777.54	89.66	7,968.42
Non-current liabilities	1,233.65	1,09,639.04	1,240.04	1,10,206.94	1,628.98	1,44,773.48	1,878.65	1,66,962.58
Total	2,629.35	2,33,680.06	2,227.24	1,97,943.06	2,742.99	2,43,779.67	3,164.07	2,81,202.61
Uses of funds								

Balance sheet statement	For the six months period ended June 30, 2020		As at December 31, 2019		As at December 31, 2018		As at December 31, 2017	
	(In Euro Lakhs)	(In Rs. Lakhs)	(In Euro Lakhs)	(In Rs. Lakhs)	(In Euro Lakhs)	(In Rs. Lakhs)	(In Euro Lakhs)	(In Rs. Lakhs)
Fixed assets	379.22	33,702.68	774.11	68,798.02	817.08	72,616.92	863.07	76,704.22
Intangible assets	73.15	6,501.11	141.98	12,618.29	175.95	15,637.33	212.91	18,922.10
Non-current assets	506.95	45,054.52	85.54	7,602.26	75.02	6,667.30	74.04	6,580.21
Investments	1,290.19	1,14,663.96	1,511.93	1,34,370.81	2,633.08	2,34,011.56	3,017.01	2,68,132.84
Net Current assets	379.84	33,757.79	(286.32)	(25,446.32)	(958.14)	(85,153.45)	(1,002.96)	(89,136.77)
Total miscellaneous expenditure not written off	-	-	-	-	-	-	-	-
Total	2,629.35	2,33,680.06	2,227.24	1,97,943.06	2,742.99	2,43,779.67	3,164.07	2,81,202.61

Other financial data	For the six months period ended June 30, 2020		Financial Year ended December 31, 2019		Financial Year ended December 31, 2018		Financial Year ended December 31, 2017	
	(In Euro)	(In Rs.)	(In Euro)	(In Rs.)	(In Euro)	(In Rs.)	(In Euro)	(In Rs.)
Dividend (%)	-	-	-	-	-	-	-	-
Earnings Per Share	0.35	31.11	(0.01)	(0.80)	(0.46)	(40.70)	0.05	4.44
Return on Net worth	18.60%	18.60%	(0.56%)	(0.56%)	(28.28%)	(28.28%)	2.36%	2.36%
Book Value Per Share	1.90	168.84	1.61	143.13	1.62	143.91	2.10	187.00

Notes:

- a) Since the (group) financial statements of Baader Bank are prepared in Euros, the functional currency of Baader Bank, they have been converted into INR for the purpose of convenience of translation. The exchange rate 1 EURO equivalent to INR 88.8737 as of July 31, 2020 (source: www.fbil.org) has been used to convert the financial statements of Baader Bank from Euros to Indian Rupees for the financial years ended December 31, 2019, December 31, 2018, December 31, 2017 and for the six months period ended June 30, 2020. Totalling errors if any are due to rounding off.
- b) Source - The financial group information for financial years 2019, 2018 and 2017 to the extent disclosed has been extracted from the respective year's audited group financial statements. The financial year represents the twelve months period from January 1 to December 31 each year. The presented key financial information as of June 30, 2020 is based on the unaudited condensed interim financial statements of Baader Bank Aktiengesellschaft as of and for the six months period ended June 30, 2020, consisting of the condensed balance sheet (verkürzte Bilanz), condensed income statement (verkürzte Gewinn- und Verlustrechnung) and related condensed disclosures (together the "unaudited condensed interim financial statements") prepared by Baader Bank in accordance with the recognition, measurement and presentation principles of the German generally accepted accounting principles (German commercial law). The condensed interim financial statements have been subject to a limited review by an independent auditor in accordance with German generally accepted standards for the review of financial statements (IDW AuS 900: Principles for the Review of Financial Statements) promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). It may be noted that the condensed interim financial statements are not comparable with the quarterly/ six monthly consolidated financial information as disclosed by Baader Bank periodically in its local jurisdiction.
- c) The consolidated financial statements of Baader Bank are prepared in accordance with the German Commercial Code (Handelsgesetzbuch – HGB) and the German Regulation on Accounting Principles for Banks and Financial Services Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV). The provisions of the German Stock Corporation Act (Aktiengesetz – AktG) are also observed. The consolidated financial statements are also based on the standards issued by the Accounting Standards Committee of Germany (Deutsches Rechnungslegungs Standards Committee e.V. – DRSC) and published by the Federal Ministry of Justice and Consumer

Protection (Bundesministerium der Justiz und für Verbraucherschutz – BMJV) pursuant to Section 342 (2) HGB.

- d) *Income from operation includes interest income net of interest expense, current income from equity investments and other variable income securities, net commission income and net income from trading portfolio.*
- e) *Other income includes 'other operating income', 'net income from interest in associates' for FY 2019 (EUR 0.53 lakhs), FY 2018 (EUR -0.34 lakhs), FY 2017 (EUR -14.26 lakhs) and 'income from liquidation of fund for general banking risks' for FY 2019 (EUR 105.00 lakhs).*
- f) *Investments include debt securities and other fixed income securities, equities and variable income securities, trading portfolio (net of amount in asset and liability), equity investments and investments in associates. Investments include both current and non-current investments.*
- g) *There is no requirement for Baader Bank to disclose the bifurcation of assets and liabilities in current and non-current terms in its financial statements as per German GAAP. The bifurcation of assets in current and non-current terms herein above has been extracted from the indicators for financial position and net assets as given in the annual report, for the respective years. The bifurcation of liabilities in current and non-current terms herein above has been arrived at, on the basis of the maturity profiles of the liabilities as disclosed in the notes to accounts in the annual report for the respective years. Additionally, liabilities payable on demand, other liabilities and prepaid expenses and deferred charges have been considered to be current liabilities.*
- h) *There is no separate disclosure required by Baader Bank to disclose the loan in terms of secured and unsecured in its financial statements, and hence the same has been disclosed as nil herein above.*
- i) *Net worth = Paid-up equity share capital plus reserves & surplus. Minority interest has been excluded for the purpose of calculating net worth.*
- j) *Reserves & surplus includes capital reserve, retained earnings, other retained earnings, difference in equity due to currency conversion and consolidated net loss.*
- k) *Earnings per share = $\frac{\text{Profit/(loss) after tax before minority interest}}{\text{Average number of ordinary shares outstanding during the respective year}}$*
- l) *Return on net worth = $\frac{\text{Profit/(loss) after tax before minority interest}}{\text{Net worth (calculated as per i above)}}$*
- m) *Book value per share = $\frac{\text{Net worth (calculated as per i above)}}{\text{Average number of ordinary shares outstanding during the respective year}}$*

The currency conversion from EURO to INR of the above mentioned financial statements are certified by Mr. Rakesh Agarwal, (Membership no. 170685), Partner, M/s K C P L and Associates LLP, Chartered Accountants, having its registered office at 77, Ground Floor, Virwani Ind. Estate, off Western Express Highway, Goregaon (East), Mumbai – 400063 vide certificate dated August 21, 2020.

4.1.11 The significant accounting policies used in the preparation the consolidated financial statements of Baader Bank are as follows:

a) Group of consolidated companies

The consolidated financial statements include Baader Bank as the parent company and a total of six subsidiaries (including its sub-subsidiaries) for FY 2019 (seven subsidiaries including its sub-subsidiaries in FY 2018 and eight subsidiaries including its sub-subsidiaries in FY 2017). Baader Bank directly or indirectly holds more than 50% of the shares in these subsidiaries or exercises control over them.

b) Loans and advances

Loans and advances to banks and clients are generally recognised at their nominal amount or acquisition cost and are reduced by adequate write-downs where necessary.

c) Securities (excluding trading portfolio)

Securities that are intended to be used in business operations on an ongoing basis are recognised as financial assets at amortised cost under the lower of cost or market value principle. Any impairments which appear to be permanent are taken into account. If necessary, write-ups are made in accordance with the requirement to reverse impairments.

d) Trading portfolio

Financial instruments in the trading portfolio are initially measured at acquisition cost. Subsequent measurement is carried out at fair value less a risk discount for financial assets, or plus a risk premium for financial liabilities. If there is no daily market valuation for derivative financial instruments, the fair value for options is determined by means of the Black Scholes model; the arbitrage-free valuation model is used for futures. Baader Bank values American options using the Barone-Adesi and Whaley approximation (1987). Foreign currency options are valued using the Garman Kohlhagen model (1983).

e) Reclassification

The allocation of receivables and securities to the trading portfolio, liquidity reserve or assets measured as investments is based on their purpose at the time of acquisition. Reclassification to the trading portfolio is not permitted and reclassification from the trading portfolio is only possible if extraordinary circumstances, in particular significant impairments in the tradability of the financial instruments, result in them not being held for trading. Reclassification between the categories of liquidity reserves and assets treated as investments takes place if the established purpose has changed since initial recognition and this change is documented. The reclassification of receivables or securities takes place at the time of the change in purpose.

f) Net interest

Negative interest from the lending business is included in interest income. Interest income includes the interest income realized during the course of the fiscal year, reduced by negative interest. Accordingly, negative interest from deposit-taking transactions reduces the interest expense accordingly.

4.1.12 The reasons for the rise and fall of total income and profit after tax for the relevant years are given below:

For FY 2019:

Due to lower dividend payments, current income was EUR 2.34 lakhs lower than in the previous year, at EUR 7.38 lakhs.

At EUR 321.11 lakhs on a consolidated basis (Baader Bank standalone: EUR 205.11 lakhs), net commission income made a significant contribution, as in the previous year, and represented 31% of the consolidated earnings. Overall, the consolidated net commission income was 21% or EUR 84.07 lakhs lower than in the previous. In addition to a EUR 6.06 lakhs decrease in the brokerage and transaction result of EUR 101.48 lakhs, there was also a EUR 18.18 lakhs decline in commission income from capital market services to EUR 30.69 lakhs. This was caused primarily by a decline in placement volumes, a difficult market environment and the general realignment of the business line.

Commission income from order routing and client commission business and other commission income saw an increase of EUR 16.11 lakhs to EUR 316.83 lakhs. Trading income on a consolidated basis in the past fiscal year increased by EUR 51.73 lakhs to EUR 461.49 lakhs and resulted entirely from Baader Bank as a trading book institution. It contributed 44% to the consolidated total income. The significant increase in trading income, brought about by revenues on the stock exchanges on which Baader Bank was active as a market maker, or in OTC trading, was attributable primarily to the market making bonds and market making funds/ETFs business lines.

The board of directors had exercised its option of compensating for negative earnings developments in accordance with Section 340g HGB in the amount of EUR 105 lakhs.

In the past fiscal year, the feed-in remuneration for electricity generated by the wind park, pertaining to one of the subsidiaries, fell slightly by 2% or EUR 2.87 lakhs to EUR 128.08 lakhs, compared to the previous year.

Total expenses declined significantly in the past fiscal year and fell by EUR 132.28 lakhs to EUR 1042.68 lakhs. Personnel expenses decreased significantly on a consolidated basis by 15% or EUR 81.64 lakhs to EUR 465.22 lakhs. Other administrative expenses and other operating expenses also fell, by EUR 7.81 lakhs to EUR 446.04 lakhs.

Depreciation and amortisation decreased by EUR 42.49 lakhs to EUR 131.42 lakhs. In addition, valuation and disposal losses of EUR 41.41 lakhs arose in the non-trading book, which are attributable primarily to equity investments and securities treated as investments.

The tax expense in the consolidated financial statements was mainly a result of the positive contributions to earnings made by subsidiaries that could not be netted against negative results for tax purposes. In addition, Baader Bank on a consolidated basis exercised the option of not accounting for asset surpluses from deferred taxes.

As a result of the factors described, the consolidated net income after tax of EUR –5.91 lakhs was only slightly negative (previous year: EUR -213.10 lakhs), or, taking the consolidated net income before tax of EUR 0.68 lakhs into consideration, it was balanced (previous year EUR -193.75 lakhs).

For FY 2018:

Due to lower dividend payments, current income was EUR 8.68 lakhs lower than in the previous year, at EUR 9.72 lakhs.

At EUR 405.18 lakhs, net commission income made a significant contribution, as in the previous year, and represented 41% of the consolidated earnings. Overall, the consolidated net commission income was 13% or EUR 60.21 lakhs lower than in the previous year. In addition to a EUR 7.49 lakhs decrease in the brokerage and transaction result of EUR 107.54 lakhs, the EUR 14.21 lakhs decrease in commission income from capital market services to EUR 48.87 lakhs was also caused by a decline in placement volumes, a difficult market environment despite the intensification of existing client relations and an increase in the number of investors operating internationally.

Income from commercial agents' commissions (EUR –28.94 lakhs) and income from management and performance fees (EUR –3.13 lakhs) were also significantly more subdued.

Trading profits on a consolidated basis in the past fiscal year decreased by EUR 167.07 lakhs to EUR 409.76 lakhs and resulted entirely from Baader Bank as a trading book institution. They contributed 42% to the consolidated total income. The significant fall in trading profits, caused by a decline in sales on the stock exchanges on which Baader Bank AG was active as a market maker, was attributable to the market making equities and market making funds/ETFs business lines.

In the past fiscal year, the feed-in remuneration for electricity generated by the wind park, pertaining to one of the subsidiaries rose by 8% or EUR 9.60 lakhs to EUR 130.95 lakhs. The amount of revenue in total income was 13%.

Other income decreased by EUR 4.53 lakhs to EUR 30.05 lakhs.

Other administrative expenses and other operating expenses rose by EUR 27.99 lakhs to EUR 453.85 lakhs.

Depreciation and amortisation decreased by EUR 9.53 lakhs to EUR 173.91 lakhs. In addition, valuation and disposal losses of EUR 37.29 lakhs and EUR 11.29 lakhs in the non-trading book were reflected in write-downs and value adjustments on receivables and certain securities and thus contributed on a net basis to the total amount of EUR 52.75 lakhs.

The tax expense in the consolidated financial statements was mainly a result of the positive contributions to earnings made by subsidiaries that could not be netted against negative results for tax purposes. In addition, Baader Bank on a consolidated basis exercised the option of not accounting for asset surpluses from deferred taxes.

As a result of the factors described above, consolidated net income after tax was markedly negative at EUR –213.10 lakhs (previous year: EUR 24.02 lakhs).

For FY 2017:

Current income increased by EUR 7 lakhs to EUR 18.40 lakhs due to higher dividend income compared to the previous year. Net interest income was negative at EUR 3.38 lakhs in the past fiscal year

At EUR 465.39 lakhs, net commission income made a significant contribution, as in the previous year, and represented 38% of the consolidated earnings. Overall, the consolidated net commission income was 14 % or EUR 57.92 lakhs higher than in the previous year. In addition to a EUR 8.60 lakhs increase in the brokerage and transaction result of EUR 115.03 lakhs, higher placement volumes, a revival of the market environment, an intensification of existing customer relationships and an increase in the number of internationally operating investors led to the significant increase. Net commission income from capital market services increased by EUR 22.29 lakhs to EUR 63.08 lakhs. Considerable increases in earnings were also achieved in the cash equity business. Net commission income from the order routing and commission business increased by EUR 12.04 lakhs to EUR 266.01 lakhs. Net commission income was also positively influenced by the result from agency commissions.

Trading profit on a consolidated basis rose by EUR 48.74 lakhs to EUR 576.83 lakhs in the past fiscal year and resulted entirely from Baader Bank as the trading book institution and contributed 48 % of the consolidated total income (Baader Bank standalone: 63%). The core business line market making made a considerable contribution to this.

A new revenue line item (EUR 121.35 lakhs) representing the feed-in remuneration for electricity generated by the wind park was reported due to the inclusion of a subsidiary in the consolidated financial statements.

Other income decreased by EUR 2.36 lakhs to EUR 34.58 lakhs. Other operating income increased by a total of EUR 11.30 lakhs due to the netting of income and expenses from plan assets in connection with pension provisions and other current operating income.

Expenses increased significantly by 14% or EUR 144.48 lakhs to a total of EUR 1170.58 lakhs. The personnel, administrative and other operating expenses increased compared to the previous year. Other administrative expenses also increased on a consolidated basis by EUR 30.57 lakhs to EUR 413.86 lakhs.

Depreciation rose by a total of EUR 84.01 lakhs to EUR 183.44 lakhs. In addition, valuation and disposal losses of EUR 18.20 lakhs and EUR 25.69 lakhs in the non-trading book were reflected in write-downs and value adjustments on receivables and certain securities and thus contributed on a net basis to the total contribution of EUR 42.23 lakhs.

The tax expense in the consolidated financial statements was mainly a result of the positive contributions to earnings made by subsidiaries that could not be netted against negative results for tax purposes. In addition, the Baader Bank on a consolidated basis, exercised the option of not accounting for asset surpluses from deferred taxes

As a result of the factors described, consolidated net income after taxes was positive at EUR 24.02 lakhs.

- 4.1.13 The major contingent liabilities of Baader Bank are as a result of guarantees given to members of the board of directors and in respect of an employee. As at December 31, 2019, amounted to EUR 203,000 and EUR 5,000, respectively. As at December 31, 2019, there are also irrevocable open loan commitments to clients totalling EUR 2,065,000.
- 4.1.14 The equity shares of Baader Bank are listed and traded on the open market of the Munich stock exchange in the m:access market segment as well as on the open market of the Berlin, Düsseldorf, Frankfurt am Main / Xetra, Hamburg, Hanover and Stuttgart stock exchanges.
- 4.1.15 Baader Bank is in compliance with all applicable corporate governance requirements of the stock exchange(s) where its equity shares are listed.

4.1.16 The details of the compliance officer of Baader Bank are given below:

Name	Address	Contact details	Date of appointment
Marco Backes	Weihenstephaner Straße 4 85716 Unterschleissheim Munich, Germany	Tel. No.: +49 89 5150 1330 Email ID: marco.backes@baaderbank.de	October 1, 2000

4.1.17 There has been no merger/demerger/spin off involving Baader Bank in the last three years.

4.2 Gulf Investment Services Holding Company (S.A.O.G.)

4.2.1 Gulf Investment Services Holding Company (S.A.O.G.) (“GIS”) was incorporated as a joint stock company on January 1, 1995 as Gulf Investment Services S.A.O.G. Subsequently, its name was changed to Gulf Investment Services Holding Company (S.A.O.G.) on April 13, 2009. Its office is situated at Al Ghazal Tower, 6th floor, next to Central Bank of Oman, Office no. 601, Building no. 1540, Way no. 2724, Hayy El Souq El Mal, CBD Area, City of Muscat, Sultanate of Oman, Tel: +968 22 35 0700, Fax: +968 22 35 0745, E-mail: busdev@gisoman.net.

4.2.2 GIS is engaged in the business of investments.

4.2.3 GIS does not belong to any group.

4.2.4 GIS is a professionally managed company and has no identifiable promoters. The person having control over GIS is Muscat Overseas LLC.

4.2.5 The shareholding details of the significant shareholding (i.e., greater than 5%) of the ordinary share capital of GIS as on date of the PA is as follows:

Sr. No.	Name of the Shareholder	No. of shares held	% of shareholding
1.	Oman Growth Fund	58,64,618	9.97
2.	Al Saud LLC	50,00,000	8.50
3.	Other shareholders	4,79,78,599	81.53
	Total	5,88,43,217	100

4.2.6 The shareholding details of the significant shareholding (i.e., greater than 5%) of the preference share capital of GIS as on date of the PA is as follows:

Sr. No.	Name of the Shareholder	No. of shares held	% of shareholding
1.	Muscat Overseas Co. LLC	4,83,34,330	52.89
2.	Al Saud LLC	96,62,021	10.57
3.	His Excellency Salim Mustahil Ahmed Al Maashani	79,27,794	8.67
4.	Al Tamman Establishment LLC	75,08,985	8.22
5.	Alonaizy Azam Yasin A	48,54,000	5.31
6.	Haitham Awad Bakhit Al Amri	48,46,077	5.30
7.	Other shareholders	82,57,576	9.04
	Total	9,13,90,783	100

Note: In terms of the Articles of Association of GIS, preference shareholders enjoy two voting rights for each preference share held, as opposed to ordinary shareholders who enjoy one voting right for each ordinary share held.

4.2.7 On July 24, 2006, GIS subscribed to and was allotted 53,84,980 equity shares of the Target Company, representing 20.00% of the then paid-up equity share capital of the Target Company at a price of Rs. 22 per equity share for cash aggregating to Rs. 11,84,69,560 (rupees eleven crores eighty four lakhs sixty nine thousand five hundred and sixty only) on a preferential basis. For status of compliance with applicable provisions of the Takeover Regulations, 1997 and SEBI PIT Regulations pertaining to the acquisition made by GIS in the Target Company, please refer para 4.2.9 below.

4.2.8 As on date of this DLOF the total equity shareholding of GIS in the Target Company is 53,84,980 equity shares, representing 19.21% of the total outstanding, issued and paid up equity share capital of the Target Company, as on June 30, 2020.

4.2.9 GIS has complied with the applicable provisions of Chapter II of Takeover Regulations, 1997 and SEBI PIT Regulations except as stated below:

Status of compliance/non-compliance with provisions of Chapter II of Takeover Regulations, 1997:

Sr. No.	Regulation/ Sub-regulation	Due Date for compliance in the regulation	Actual date of compliance	Delay, if any (in No. of days) (Col. 4-Col.3)	Status of compliance with Takeover Regulations, 1997
1	2	3	4	5	6
1	7(1) & (2) ^(*)	July 26, 2006	December 30, 2009	1,253(^)	Complied
2	8(1) ^(*)	April 21, 2007	December 30, 2009	984	Complied
3	8(1) ^(*)	April 21, 2008	December 30, 2009	618	Complied
4	8(1) ^(*)	April 21, 2009	December 30, 2009	253	Complied
5	8(1)	April 21, 2010	(#)	(#)	Non-compliance
6	8(1)	April 21, 2011	(#)	(#)	Non-compliance

(*) GIS, suo moto proposed settlement of violations of certain provisions of the Takeover Regulations, 1997 and the SEBI PIT Regulations in relation to the investment made by it in the Target Company, including the delayed compliances as mentioned in sr. nos. 1-4 above, through a consent order vide letter dated April 16, 2009. Vide a common consent order of SEBI dated April 15, 2010, such delayed compliances were settled.

(^) Based on the records available on BSE's website, the requisite filing with BSE was made on November 18, 2009 and the filing with the Target Company was made on December 30, 2009. The delay in number of days herein has been captured based on the filing of the latter.

(#) GIS has not made the requisite filings in compliance with Regulation 8(1) of the Takeover Regulations, 1997.

Status of compliance/non-compliance with the provisions of SEBI PIT Regulations:

Sr. No.	Regulation/ Sub-regulation	Due Date for compliance in the regulation	Actual date of compliance	Delay, if any (in No. of days) (Col. 4-Col.3)	Status of compliance with SEBI PIT Regulations
1	2	3	4	5	6
1	13(1) ^(*)	July 28, 2006	December 30, 2009	1,251	Complied

(*) GIS, suo moto proposed settlement of violations of certain provisions of the Takeover Regulations, 1997 and the SEBI PIT Regulations in relation to the investment made by it in the Target Company, including the delayed compliance as mentioned in sr. no. 1 above, through a consent order vide letter dated April 16, 2009. Vide a common consent order of SEBI dated April 15, 2010, such delayed compliances were settled.

4.2.10 The details of the board of directors of GIS as on the date of this DLOF are given below:

Name of the director and Designation	Residential/ Contact Address	Educational qualifications and Experience	Date of appointment/reappointment
Hatim Bakhit Said Al Shanfari (Chairman)	P.O.Box 92, Postal Code 118, Sultanate of Oman	He holds a doctorate in economics from the University of Strathclyde in Glasgow, Scotland, a master's degree in economic planning from the Institute of Social Studies in The Hague, Netherlands, and a bachelor's degree in engineering from Washington University in St. Louis, Missouri, United States of America. He has over 30 years of experience in the field of academics, investment and corporate leadership.	May 31, 2020
Sridhar Ganesan (Deputy Chairman)	P.O. Box 2472, Postal Code 130, Azaiba, Sultanate of Oman	He holds a master's degree in financial management from the University of Mumbai, a master's degree in arts (political science) from M.K. University, Tamil Nadu, India, a post graduate diploma in System Management from the University of Bombay, India. He is also a certified associate of the Indian Institute of Bankers and holds a certificate in advanced management program from Harvard Business School, United States of America. He has over 40 years of experience in banking and finance.	May 31, 2020
Sheikh Bakhit Musallam Mohammed AlAmri (Director)	P.O. Box No: 709, Postal Code 211 Salalah, Sultanate of Oman	He holds a MBA from the University of Bedford Shire, United Kingdom, a higher national diploma in business and finance from London UCK College, United Kingdom, and an advanced in English language from Harrow House College, United Kingdom. He has over 10 years of experience in the fields of banking and international audit firms.	May 31, 2020
Haitham Awadh Bakhit Al Amri (Director)	1078, Muscat Hills, Muscat, Sultanate of Oman	He holds a bachelor's degree in arts (international business) from University of Wales, United Kingdom and a master's degree in arts (international relations) from the University of Westminster, United Kingdom. He has over 3 years of experience in the field of international relations.	May 31, 2020
Shaikh Saud Majid Bin Saud Bin Khalid Al Qasimi (Director)	Al Noof 4, Street No: 133, Villa No: 5, Sharjah, U.A.E.	He holds a bachelor's degree in business administration, specializing in finance from AL Ghurair University, Dubai, U.A.E. He has over 9 years of experience in the field of banking and finance.	May 31, 2020
Himansu Mohapatra	P.O. Box 488, Postal Code 112,	He holds a master's degree in commerce from Utkal University,	May 31, 2020

(Director)	Sultanate of Oman	Bhubaneswar, India, and is a post graduate in management from ICFAI, Hyderabad, India. He has over 19 years of working experience in portfolio management, private equity investment, real estate investments and strategy management.	
Al Onaizy Azam Yasin A (Director)	Villa No: 14, Sienna Lakes, Jumeirah Golf Estates, Dubai, U.A.E.	He holds a bachelor's degree in computer science from University of Dundee in Scotland and a master's in business administration from University of South Florida, United States of America. He has over 15 years of experience in the field of enterprise valuations and portfolio management.	May 31, 2020

4.2.11 As on date, none of the directors as mentioned above in para 4.2.10 are on the board of directors of the Target Company. Thus, disclosure in terms of Regulation 22(9) of the Takeover Regulations, 1997 is not applicable.

4.2.12 Brief audited financial information of GIS on a consolidated basis for the financial years ended 2019, 2018 and 2017 and unaudited financial information on consolidated basis for the three months period ended March 31, 2020 are as under:

Profit and Loss Statement	For the three months period ended March 31, 2020		Financial Year ended December 31, 2019		Financial Year ended December 31, 2018		Financial Year ended December 31, 2017	
	(In Omani Rial Lakhs)	(In Rs. Lakhs)	(In Omani Rial Lakhs)	(In Rs. Lakhs)	(In Omani Rial Lakhs)	(In Rs. Lakhs)	(In Omani Rial Lakhs)	(In Rs. Lakhs)
Income from operations	(9.57)	(1,864.60)	(4.66)	(907.37)	8.16	1,589.22	5.13	1,000.15
Other income	0.34	65.55	1.14	222.05	1.40	272.81	1.40	273.10
Total income	(9.23)	(1,799.05)	(3.52)	(685.32)	9.56	1,862.03	6.53	1,273.24
Total expenditure.	4.35	846.87	14.52	2,828.72	14.83	2,889.41	14.11	2,750.21
Profit before depreciation & amortization, interest, share of results of an associate and excess provision for loss on jointly controlled entity and tax	(13.58)	(2,645.92)	(18.03)	(3,514.04)	(5.27)	(1,027.37)	(7.58)	(1,476.96)
Depreciation and amortization expenses	0.04	8.33	3.96	771.46	1.09	212.02	1.17	228.26
Interest	0.03	5.24	0.78	151.78	0.57	110.97	1.60	312.66
Share of results of an associate	-	-	(0.03)	(5.44)	(0.06)	(12.53)	(0.01)	(1.78)
Excess provision for loss on a jointly controlled	-	-	0.42	82.76	-	-	-	-

Profit and Loss Statement	For the three months period ended March 31, 2020		Financial Year ended December 31, 2019		Financial Year ended December 31, 2018		Financial Year ended December 31, 2017	
	(In Omani Rial Lakhs)	(In Rs. Lakhs)	(In Omani Rial Lakhs)	(In Rs. Lakhs)	(In Omani Rial Lakhs)	(In Rs. Lakhs)	(In Omani Rial Lakhs)	(In Rs. Lakhs)
entity written back								
Profit/ (loss) before tax	(13.65)	(2,659.49)	(22.38)	(4,359.97)	(6.99)	(1,362.89)	(10.37)	(2,019.67)
Provision for Tax	-	-	-	-	0.26	50.71	-	-
Profit/ (loss) after tax	(13.65)	(2,659.49)	(22.38)	(4,359.97)	(7.25)	(1,413.59)	(10.37)	(2,019.67)
Profit/ (loss) attributable to equity holders of the parent company	(13.65)	(2,659.48)	(22.38)	(4,359.96)	(7.29)	(1,419.95)	(8.42)	(1,640.73)
Profit/ (loss) attributable to non-controlling interests	(0.00)	(0.00)	(0.00)	(0.00)	0.03	6.36	(1.94)	(378.94)

Balance sheet statement	For the three months period ended March 31, 2020		Financial Year ended December 31, 2019		Financial Year ended December 31, 2018		Financial Year ended December 31, 2017	
	(In Omani Rial Lakhs)	(In Rs. Lakhs)	(In Omani Rial Lakhs)	(In Rs. Lakhs)	(In Omani Rial Lakhs)	(In Rs. Lakhs)	(In Omani Rial Lakhs)	(In Rs. Lakhs)
Sources of funds								
Paid up share capital	150.23	29,273.29	150.23	29,273.29	150.23	29,273.29	150.23	29,273.29
Reserves and Surplus (excluding revaluation reserves)	(16.27)	(3,169.84)	(2.62)	(510.35)	10.25	1,998.12	17.81	3,470.64
Networth	133.97	26,103.45	147.61	28,762.94	160.49	31,271.41	168.05	32,743.93
Non controlling interests	(0.00)	(0.01)	0.00	0.01	17.59	3,427.85	17.56	3,422.12
Secured loans	-	-	3.00	584.55	-	-	15.50	3,020.20
Unsecured loans	-	-	-	-	-	-	-	-
Total	133.97	26,103.44	150.61	29,347.50	178.08	34,699.26	201.11	39,186.24
Uses of funds								
Net fixed assets	0.11	20.50	0.53	103.22	0.50	97.30	1.03	200.03
Intangible Assets	-	-	-	-	3.60	701.46	4.20	818.38
Investments	114.10	22,232.44	124.38	24,235.84	151.77	29,572.09	176.89	34,466.56
Net Current assets	19.76	3,850.50	25.70	5,008.43	22.21	4,328.40	19.00	3,701.28

Total miscellaneous expenditure not written off	-	-	-	-	-	-	-	-
Total	133.97	26,103.44	150.61	29,347.50	178.08	34,699.26	201.11	39,186.24

Other financial data	For the three months period ended March 31, 2020		Financial Year ended December 31, 2019		Financial Year ended December 31, 2018		Financial Year ended December 31, 2017	
	(In Omani Rial)	(In Rs.)	(In Omani Rial)	(In Rs.)	(In Omani Rial)	(In Rs.)	(In Omani Rial)	(In Rs.)
Dividend (%)	-	-	-	-	-	-	-	-
Earnings Per Share	(0.01)	(1.77)	(0.01)	(2.90)	(0.00)	(0.95)	(0.01)	(1.09)
Return on Net worth	(10.19%)	(10.19%)	(15.16%)	(15.16%)	(4.54%)	(4.54%)	(5.01%)	(5.01%)
Book Value Per Share	0.09	17.38	0.10	19.15	0.11	20.82	0.11	21.80

Notes:

- a) Since the financial statements of GIS are prepared in Omani Riyal, the functional currency of GIS, they have been converted into INR for the purpose of convenience of translation. The exchange rate 1 Omani Rial equivalent to INR 194.8513 as of July 31, 2020 (source: www.xe.com) has been used to convert the financial statements of GIS from Omani Rials to Indian Rupees for the financial years ended December 31, 2019, December 31, 2018, December 31, 2017 and for the three months period ended March 31, 2020. Totalling errors if any are due to rounding off.
- b) Source - The financial information for financial years 2019, 2018 and 2017 has been extracted from the respective year's audited financial statements as available on the website of the Muscat Securities Market. The financial year represents the twelve months period from January to December each year. The unaudited consolidated financial information for the three months period ended March 31, 2020 has been sourced from the review report on the interim financial information for the quarter ended March 31, 2020, prepared in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".
- c) The financial statements of GIS are prepared in accordance with International Financial Reporting Standards ("IFRS") and the relevant requirements of the Commercial Companies Law, as amended, and the Capital Market Authority of the Sultanate of Oman.
- d) Income from operations includes dividend income, net profit/ loss on sale of financial assets at fair value through profit or loss, changes in fair value of financial assets at fair value through profit or loss, changes in fair value of investment property, interest income, commission and other fee income.
- e) There is no requirement of GIS to bifurcate the assets and liabilities into current and non-current terms in the financial statements of GIS. Therefore, Bank & cash balances and account receivable and prepayments have been considered to be current assets in the disclosure above. Similarly, bank overdraft, accounts payable and accruals and other liabilities have been considered to be current liabilities in the above disclosure.
- f) Investments consist of investment in associate, investment in property, financial assets at fair value through profit and loss and investment in subsidiary.
- g) Net worth = Paid-up equity share capital plus reserves & surplus. Non -controlling interest has been excluded for the purpose of calculating net worth.

h) Reserves & surplus includes treasury shares, foreign currency translation reserve, legal reserve, and accumulated losses.

i) Earnings per share = $\frac{\text{Profit/(loss) after tax attributable to the equity holders of the parent company}}{\text{Weighted average number of ordinary shares and preference shares outstanding during the respective year}}$

j) Return on net worth = $\frac{\text{Profit/(loss) after tax attributable to the equity holders of the parent company}}{\text{Net worth (as calculated in g above)}}$

k) Book value per share = $\frac{\text{Net worth (as calculated in g above)}}{\text{Weighted average number of ordinary shares and preference shares outstanding during the respective year}}$

l) The independent auditor's report on the financial statements for the years ended December 31, 2019, December 31, 2018 and December 31, 2017 draws attention to the following:

“Emphasis of Matter

We draw attention to note 5 of the financial statements, which describes the current status of the company's investment in Parsoli Corporation Limited. Our opinion is not modified in respect of this matter”

The currency conversion from Omani Rial to INR of the above mentioned financial statements are certified by Mr. Rakesh Agarwal, (Membership no. 170685), Partner, M/s K C P L and Associates LLP, Chartered Accountants, having its registered office at 77, Ground Floor, Virwani Ind. Estate, off Western Express Highway, Goregaon (East), Mumbai – 400063 vide certificate dated August 10, 2020.

4.2.13 The consolidated financial information of GIS as represented above includes one of its subsidiaries, namely, Gulf Baader Capital Markets (S.A.O.C.) (“**GBCM**”). As on December 31, 2019, GIS owned 99.99% of the capital of GBCM. However, GIS in compliance with the disclosure requirements for publicly listed companies on the Muscat Securities Market has disclosed that it has signed a sale and purchase agreement on March 19, 2020 with Ubhar Capital S.A.O.C. for the sale of its 100% holding in GBCM. The transaction has been completed in accordance with the prevailing guidelines of the Muscat Securities Market.

4.2.14 The significant accounting policies used by GIS for the preparation of its consolidated financial statements are listed below:

a) Basis of preparation

These financial statements comprise the results of GIS and its subsidiary and their interest in an associate. These financial statements are prepared on the historical cost basis except for the measurement at fair value of financial assets at fair value through profit or loss, fair value through other comprehensive income and investment property. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and the relevant requirements of the Commercial Companies Law, as amended, and the Capital Market Authority of the Sultanate of Oman.

b) Revenue recognition

Dividend income is recognized when the right to receive dividend is established. Brokerage commission is recognized on completion of each deal. Income from portfolio management and corporate finance services is recognized in accordance with the terms of agreement, concluded with the customers. Interest revenue is recognized as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Rental income on investment property is recognised in the statement of comprehensive income on a straight line basis over the term of the lease.

c) Investment in properties

All investments in property are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment. Subsequent to initial recognition, these properties are revalued to their fair values on an annual basis and any increase or decrease in the fair values is reflected in the statement of comprehensive income.

d) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any identified impairment loss. Cost includes all the costs directly attributable to bringing the assets to working condition for their intended use. Depreciation is calculated so as to write off the cost of property and equipment on a straight line basis over the expected useful economic lives of the assets concerned.

f) Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and GIS and its subsidiary's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which GIS and its subsidiary has applied the practical expedient, GIS and its subsidiary initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

4.2.15 The reasons for the rise and fall of total income and profit after tax of GIS for the relevant years are given below:

For FY 2019

The consolidated operating result of GIS reflects the disappointing performance of Muscat Securities Market and the sharp drop in trading activity, both of which adversely impacted its consolidated results.

The subsidiary company, GBCM, had also been impacted by the disappointing performance of the regional and local markets, and ended the year with a net loss of RO 7.91 lakhs, after writing off the intangible assets fully of RO 3.6 lakhs, during the FY 2019.

Overall, on a consolidated basis, GIS has recorded negative gross revenue of RO 3.52 lakhs compared to RO 9.56 lakhs in FY 2018. The consolidated operating expenses were marginally lower as compared to FY 2018.

On a consolidated basis, GIS has incurred an operating net loss of RO 21.79 lakhs as against net loss of RO 7.25 lakhs. It suffered huge losses in the year 2019 mainly due to portfolio losses on its investment and subdued performance of its subsidiary GBCM and write off of its intangible asset.

For FY 2018

The consolidated operating result of GIS reflects the disappointing performance of Muscat Securities Market and the sharp drop in trading activity, both of which adversely impacted its consolidated results.

The subsidiary company, GBCM, had also been impacted by the disappointing performance of the regional and local markets, and ended the year with a marginal profit.

Overall, on a consolidated basis, GIS has recorded gross revenue of RO 9.56 lakhs compared to RO 6.53 lakhs in 2017. The consolidated operating expenses were marginally higher in FY 2018.

On a consolidated basis, GIS has incurred operating net loss of RO 5.76 lakhs. After accounting for financial costs and amortization of intangible assets, the net loss on a consolidated basis in 2018 stood at RO 7.25 lakhs. After the adjustment on account of foreign exchange loss, the consolidated loss was RO 7.53 million and the loss for the parent company shareholders was RO 7.29 lakhs.

For FY 2017

The consolidated operating result of GIS reflects the disappointing performance of Muscat Securities Market and the sharp drop in trading activity, both of which adversely impacted its consolidated results.

The subsidiary company GBCM, had also been impacted by the disappointing performance of regional markets and low trading volumes in regional bourses. The company suffered a minor trading loss and its commission income from brokerage was down significantly. However, the company had a robust income from corporate finance advisory business that helped it mitigate the shortfall in brokerage commission to a considerable extent.

Overall, on a consolidated basis, GIS has recorded gross revenue of RO 6.53 lakhs compared to RO 19.45 lakhs in FY 2016, shortfall entirely accounted by losses in its investment portfolio. The consolidated operating expenses were marginally higher, primarily due to mandatory salary increase. On a consolidated basis, GIS had incurred operating net loss of RO 8.15 lakhs. After accounting for financial costs and amortization of intangible assets, the net loss for GIS on a consolidated basis in 2017 stood at RO 10.37 lakhs. After the positive adjustment on account of foreign exchange gains, the consolidated loss was RO 9.79 lakhs.

4.2.16 GIS does not have any contingent liability as on the date of this Draft Letter of Offer. As on December 31, 2019, it had contingent liabilities on a consolidated basis in relation to its subsidiary Gulf Baader Capital Markets (S.A.O.C.), in the nature of a bank guarantee amounting to RO 15,000 in favour of Capital Market Authority.

4.2.17 The equity shares of GIS are listed and traded on Muscat Securities Market.

4.2.18 GIS is in compliance with all applicable corporate governance requirements of the stock exchange(s) where its equity shares are listed.

4.2.19 There are no pending litigation matters involving GIS.

4.2.20 As per the regulations as applicable to a company listed on the Muscat Securities Market and/ or the applicable laws of the Sultanate of Oman, GIS is not required to appoint a compliance officer and hence GIS has not appointed/ designated such a compliance officer. The details of the contact person of GIS are given below:

Name	Address	Contact details	Date of appointment
Ehab Alexan Girgis Kost	P.O. Box: 974, Ruwi, Postal Code: 112, Sultanate of Oman	Tel. No.: +968 22 35 0703 Email ID: ehab@gisoman.net	June 23, 2002

4.2.21 There have been no merger/demerger/spin off in the last three years involving GIS. However, GIS vide a sale and purchase agreement entered on March 19, 2020 with Ubhar Capital S.A.O.C. has sold its 100% holding in its subsidiary, i.e., GBCM. Please refer para 4.2.13 for details regarding the same.

4.3 The Acquirers, i.e., Baader Bank and GIS, have entered into an inter-se agreement dated June 19, 2020 for administrative purposes of this Joint Open Offer. Some of the salient features of the inter-se agreement are given below:

- (a) The costs of the Offer Price, will be borne by the Acquirers jointly up to the amount of Rs. 22 per share, together with interest accruing thereon, in proportion to the number of equity shares currently held by each of them (GIS: 5,384,980 equity shares; Baader Bank: 6,953,417 equity shares).
- (b) The further costs of the Offer Price, relating to the difference between a price of Rs. 22 per share together with interest accruing thereon and the full Offer Price of Rs. 26 per share together with interest accruing

thereon, will be borne by Baader Bank only.

- (c) Legal counsel fees, fees of instructed merchant banker and similar fees and statutory levies & fee and other incidental costs will be split evenly between the Two Independent Co-Acquirers. None of the Acquirers will incur such fees without liaising with the other acquirer beforehand, failing which the other acquirer will not be liable to bear any of such costs.
- (d) The Acquirers have also agreed that the execution of the inter-se agreement will not result in the Acquirers being categorized as persons acting in concert with each other. The Acquirers do not propose to acquire control over the Target Company and will not be considered as the promoters of the Target Company.
- (e) The inter-se agreement is governed by the laws of England.
- (f) Following completion of the Offer, the Acquirers expect the Equity Shares acquired in the Offer to be transferred to Baader Bank and GIS respectively in the proportion of their economic contribution to the Offer.

- 4.4 The Acquirers, i.e., Baader Bank and GIS, are not related to each other and are not acting in concert in this Open Offer. The Two Independent Co-Acquirers have agreed to come together to make this Joint Open Offer for the sole purpose of complying with the SEBI Order, in an efficient and a timely manner. In this regard, the Two Independent Co-Acquirers have received the approval from Securities and Exchange Board of India for making a joint open offer *vide* email dated June 16, 2020, addressed to the Manager to the Offer.
- 4.5 Apart from the above-mentioned inter-se agreement, the Acquirers, i.e., Baader Bank and GIS, have not entered into any agreement between themselves with regard to this Offer/ acquisition of the Equity Shares.
- 4.6 In the past, the Acquirers, i.e., Baader Bank and GIS, had inadvertently delayed complying or omitted to comply with certain disclosure requirements to be made under the Takeover Regulations, 1997 and the SEBI PIT Regulations, which pertained to the acquisition of the equity shares of the Target Company during the period of 2006 – 2009. The Acquirers, individually, *suo moto* proposed settlement of the said violations through a consent order *vide* letters dated April 16, 2009. Baader Bank remitted Rs. 16,50,000; and GIS remitted Rs. 9,25,000) aggregating Rs. 25,75,000 (rupees twenty five lakhs seventy five thousand only) on April 3, 2010 to SEBI and *vide* a common consent order of SEBI dated April 15, 2010, the non-compliances as mentioned above under the Takeover Regulations, 1997 and the SEBI PIT Regulations were settled.
- 4.7 Presently, the Acquirers, i.e., Baader Bank and GIS, do not have control of the Target Company and further pursuant to this Open Offer will not acquire control of the Target Company. Therefore, the Acquirers are not in a position to and cannot alienate any asset of the Target Company in any manner.
- 4.8 Since the Acquirers, i.e., Baader Bank and GIS, do not have control of the Target Company and further pursuant to this Open Offer are not intending to acquire control of the Target Company, neither can the Acquirers modify the present structure of the business nor can they reorganize the same in any manner.

5 OPTION TO THE ACQUIRERS IN TERMS OF REGULATION 21(2) OF TAKEOVER REGULATIONS, 1997

The Acquirers form part of the ‘public’ category of shareholders of the Target Company and, pursuant to this Open Offer, the Acquirers are not seeking a reclassification from public category to promoter category shareholders. Hence, Equity Shares of the Target Company acquired by the Acquirers from the Public Shareholders, pursuant to this Open Offer, shall continue to be classified under the ‘public’ shareholding category of the Target Company. Accordingly, the restriction pertaining to the shareholding of the Acquirers going beyond the maximum permissible ‘non-public’ shareholding under the Securities Contracts (Regulations) Rules, 1957, as amended, is not applicable in this case.

6 BACKGROUND OF THE TARGET COMPANY – PARSOLI CORPORATION LIMITED

- 6.1 The Target Company was incorporated as a private limited company on November 21, 1990 in the name of ‘Parsoli Investments and Trading Company Private Limited’ under the provisions of the Companies Act, 1956. The name of the Target Company was changed to ‘Parsoli Capital and Finance Private Limited’ and a fresh certificate of incorporation dated September 22, 1994 was issued by the Registrar of Companies, Maharashtra. The Target Company was converted to a public company and the name of the Target Company was changed to ‘Parsoli Capital and Finance Limited’ and a fresh certificate of incorporation dated October 5, 1994 was issued by the Registrar of Companies, Maharashtra. Subsequently, the name of the Target Company was again changed to Parsoli Corporation Limited and a fresh certificate of incorporation dated September 28, 1999 was issued by the Registrar of Companies, Maharashtra. The name of the Target Company has not undergone any change in the last three years. The CIN of the Target Company is L65990MH1990PLC059074. The registered office of the Target Company is presently situated at Shop no. 23, 1st Floor, Crystal Shoppers Paradise, JN. of 24th Road, Plot No. 489, Bandra (West), Mumbai – 400 050, Maharashtra. The corporate office of the Target Company is presently situated at B Wing, 4th Floor, Shalimar Complex, Mahalaxmi Five Roads, Paldi, Ahmedabad-380 007, Gujarat. *(Source: Based on the information received from the Target Company)*
- 6.2 As per the information shared by the Target Company, presently it is engaged in providing the following services:
- Corporate finance (fund raising, deal structure and execution);
 - Restructuring (lender and client negotiation, financial restructuring-refinancing); and
 - Risk advisory and management consulting services.
- 6.3 The Target Company is a Non-Deposit taking, Non-Systemically Important, Non-banking Financial Company, registered with the Reserve Bank of India (“RBI”), having registration number B-13.01032 dated October 16, 2000. *(Source: Based on the information received from the Target Company)*
- 6.4 The authorised share capital of the Target Company is Rs. 50,00,00,000 (rupees fifty crores only), divided into 5,00,00,000 (five crores) equity shares of face value of Rs. 10 each. The total paid-up equity share capital of the Target Company is Rs. 28,02,71,270 (rupees twenty eight crores two lakhs seventy one thousand two hundred seventy only), divided into 2,80,27,127 equity shares of Rs. 10 each. There are no partly paid-up equity shares in the Target Company. *(Source: Based on the information received from the Target Company)*
- 6.5 The equity share capital structure of the Target Company as on date of this DLOF is given below:

Paid up equity shares of the Target Company	Number of shares/voting rights (*)	% of shares/voting rights
Fully paid up equity shares	2,80,27,127 equity shares of Rs. 10 each	100%
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	2,80,27,127 equity shares of Rs. 10 each	100%
Total voting rights in Target Company	2,80,27,127 equity shares of Rs. 10 each	100%

(*) Out of the said 2,80,27,127 fully paid up equity shares of the Target Company, 11,02,227 equity shares were issued and allotted on November 2, 2009, pursuant to conversion of fully convertible debentures (which were issued by the Target Company on April 20, 2007). In respect of the said 11,02,227 equity shares, BSE has *vide* its letter no DCS/PREF/AJ/PRE/2950/2018-19 dated June 19, 2018 granted its in-principle approval of listing. The said in-principle approval of listing from BSE stated that the final trading approval will be provided to the Target Company upon fulfilment of conditions laid out by BSE therein. Subsequently, the Target Company made its submission with responses to the conditions *vide* its letter dated June 21, 2018. However, as informed to us by the Target Company, it has not received any further communication from BSE in this regard and the Target Company is yet to receive the final listing and trading approval from BSE for the said 11,02,227 equity shares. *(Source: Based on the information received from the Target Company)*

6.6 The Board of Directors of the Target Company, as on date are:

Name of Director and Designation	Address	Date of appointment	Educational Qualification	Experience
Nazima Irshad-Ali Saiyed (Director)	33-B, Quresh Nagar Society, B/h. Sonal Cinema, Sarkhej Road, Ahmedabad – 380 055, Gujarat, India	October 6, 2017	B.Com. (Gujarat University)	She has 23 years of experience in office administration.
Mohammed Habib Zafar Sareshwala (Managing Director)	6, Faiz E Mohammedi Society, Narayan Nagar Road, Paldi, Ahmedabad – 380 007, Gujarat, India	May 23, 2018	Business Management (WLC College India, Delhi)	He has 8 years of experience in risk advisory and operations management.
Umar Uves Sareshwala (Director)	6, Faiz E Mohammedi Society, Narayan Nagar Road, Paldi, Ahmedabad – 380 007, Gujarat, India	May 23, 2018	H.S.C. (Gujarat Secondary & Higher Secondary Education Board, Gandhinagar)	He has 7 years of experience in shariah compliant products.
Amber Zaidi (Independent Director)	D-9, Okhla Vihar, Jamia Nagar, New Delhi – 110 025, India	July 2, 2020	Bachelor of Arts (Tourism Studies) (I.G.N.O.U)	She has 10 years of experience in marketing, business development, PR & operation management
Rama Singh (Independent Director)	26D / 2, Park Road, Panna Lal Road, Gorge Town, Allahabad – 211 002, Uttar Pradesh, India	February 14, 2019	Intermediate (Board of High School and Intermediate Education, U.P.)	She has 10 years of experience in administration.

(Source: Based on the information received from the Target Company)

None of the above mentioned person(s) forming a part of the Board of Directors of the Target Company are representing the Acquirers.

- 6.7 The equity shares of the Target Company are listed on BSE (security code: 530071). However, the equity shares of the Target Company have been suspended from trading on BSE w.e.f. July 19, 2010. The reason for suspension of the equity shares of the Target Company was due to ‘non-compliance with the provisions of the listing agreement’, which, as communicated to us by the Target Company have since been complied with by them. Subsequently, the Target Company has applied to BSE *vide* its letter dated March 22, 2019 to revoke the said suspension in the trading of the equity shares of the Target Company. Additionally, as communicated to us by the Target Company, BSE has allowed the Target Company to pay the dues in respect of the listing fees through instalments to BSE. The Target Company has last paid an instalment of Rs. 2 Lakhs to BSE on January 6, 2020. However, the subsequent instalment of the listing fees (due on March 31, 2020) is still outstanding to be paid to BSE by the Target Company due to the lockdown situation pursuant to the COVID-19 pandemic. (Source: Based on the information received from the Target Company)
- 6.8 There are no partly paid up equity shares and no outstanding convertible instruments (warrants / fully convertible debentures /partly convertible debentures) issued by the Target Company. (Source: Based on

the information received from the Target Company)

6.9 The Target Company has never been declared as a sick company. *(Source: Based on the information received from the Target Company)*

6.10 The Target Company had issued and allotted 29,98,058 Non-Interest Bearing Fully Convertible Debentures at a price of Rs. 100/- per debenture (“FCDs”) to Baader Bank and to an entity named Oman Commercial Services LLC on a preferential basis on April 20, 2007, out of which 28,51,694 debentures were allotted to Baader Bank and 1,46,364 debentures were allotted to Oman Commercial Services LLC. Upon verification of the documents and information provided by the Target Company in respect of the said issue of FCDs, the manager to the offer (for the open offer being made by the promoters of the Target Company) observed that the Target Company had not complied with certain provisions of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (“DIP Guidelines”). The following observations were made by the said manager to the offer as disclosed in the draft letter of offer dated July 25, 2018 filed by the manager to the offer with SEBI for and on behalf of the promoters of the Target Company, namely, Mr. Zafar Yunus Sareshwala and Mr. Uves Yunus Sareshwala:

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- a) *The Extra-Ordinary General Meeting (“EGM”) of the shareholders of the Target Company was held on March 3, 2007 to issue the said FCDs. However, the allotment of the said FCDs were made on April 20, 2007 i.e. beyond a period of 15 (Fifteen) days from the date of EGM. Accordingly, the provisions of Clause 13.4.1 of DIP Guidelines were not complied with.*
- b) *The Target Company has not made disclosures in the explanatory statement of the Notice of EGM as required under clause 13.1A(v) of DIP Guidelines regarding the identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them.*
- c) *The pre-preferential shareholding 1 (One) of the proposed allottees viz. Oman Commercial Services LLC was not in Dematerialised form. The Target Company was also unable to provide PAN of the said allottee.*
- d) *The record regarding utilization of issue proceeds as provided in Clause 13.5A of DIP Guidelines are not found in the records of the Target Company.*
- e) *As per the terms of issue, the said FCDs were required to be converted into equity shares of the Target Company before expiry of 18 months from the date of their allotment i.e. from April 4, 2007. However, the said FCDs were converted and equity shares pursuant to such conversion were allotted on November 11, 2009 which is beyond the period of the said 18 months.*
- f) *At the time of allotment of the said FCDs, the Board of Directors of the Target Company approved the conversion price at Rs. 32.10/- per share which included face value of Rs. 10/- per share and premium of Rs. 22.10/- per share. However, the FCDs were converted into Equity Shares of the Target Company at a price of Rs. 272/- per shares which included face value of Rs. 10/- per share and premium of Rs. 262/- per share.*
- g) *The number of the proposed allottees as disclosed in notice calling Extra-ordinary General Meeting for issue of the said FCDs is 3 (Three) namely (1) Baader Wertpapierhandelsbank A.G., (2) Oman Commercial Services LLC and (3) Gulf Investment Services co., however the FCDs were allotted to 2 (Two) allottees namely (1) Baader Wertpapierhandelsbank A.G. and (2) Oman Commercial Services LLC.*
- h) *The Target Company is unable to trace the record of the documents which are required to maintain by a company for issue, allotment and conversion of the said FCDs under various provisions of the Companies Act, 1956 and SEBI listing regulations, FEMA.”*

6.11 Following (a to g) are the other disclosures in regarding to proceedings against the Target Company and its promoters, made in the draft letter of offer dated July 25, 2018 filed with SEBI for and on behalf of the promoters of the Target Company, namely, Mr. Zafar Yunus Sareshwala and Mr. Uves Yunus Sareshwala:

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- a) *Recovery proceedings have been initiated by the SEBI against the Target Company and 21 others including the Acquirers for non-payment of penalty imposed vide adjudication orders dated May 05, 2010, February 25, 2011, February 28, 2011, March 01, 2011 March 08, 2011 and October 31, 2011. Out of 18 instances, the proceedings have been completed for 6 instances while the proceedings for 12 remaining instances are currently under appeal before Hon’ble Supreme Court with respect to imposition of interest under recovery certificates. (Source: SEBI letter no. CFD/DCR/OW/2017/20632 dated August 31, 2017).*

SEBI has also vide its letter no. EFD-I/RD-I/RK/12151/2018 dated April 20, 2018 advised Acquirer 1 and the Target Company to pay Rs. 2,47,44,096.93/- (Rupees Two Crore Forty Seven Lakhs Forty Four Thousand Ninety Six and Ninety Three Paise) towards interest and costs for the pending recovery.

Acquirer 1 has vide his email dated May 14, 2018 informed the SEBI that he plans to complete their total commitment towards payment by August 31, 2018 and also requested SEBI not to charge further interest on said amount which is due to SEBI. In this regard, the Acquirers have not received any further communication from SEBI.

- b) SEBI has vide its order dated February 20, 2009 directed the Target Company to remove Pinnacle Shares Registry Private Limited as its Registrar and Transfer Agent and to appoint another Registrar and Transfer Agent within a period of six months from the date of the said order.
 - c) In WTM Order dated July 27, 2010, the Acquirers were restrained from holding the position of Director in any listed company for a period of seven years from the date of the WTM Order i.e from July 27, 2010. However, Acquirer 1 and Acquirer 2 continued with their directorship in the Target Company till August 1, 2012 and November 11, 2014 respectively.
 - d) As confirmed by the Target Company and the Acquirers, certain communications made with BSE and SEBI in relation to the above adjudication proceedings such as show cause notices ('SCN'), replies to the SCNs, documents referred in such SCNs and submitted with SEBI and BSE, compliances with stock exchanges under listing agreements are not traceable. Further, certain e-forms filed with concerned office of Registrar of Companies, specifically, Form 2 for allotment of shares and list of allottees as required to be attached with Form 2 with regard to allotment of equity shares made in the years prior to the year 2004 are also not traceable. The Target Company and the Acquirers have submitted that they have made all efforts to obtain the records including by way of a physical search at the office of concerned Registrar of Companies, however, the same have not been found. We have also not been provided the shareholding patterns for a period prior to September, 2017.
 - e) It has been found from the records that the Target Company had submitted e-Form 23 to the concerned Registrar of Companies in the year 2007-08 in which the Target Company had filed shareholders' resolution passed under section 293 (i)(d) of the Companies Act, 1956 at its Annual General Meeting held on June 26, 1999 approving transfer of Security Division along with NSE Card held by the Target Company. No further information regarding such transfer is available.
 - f) In the year 2009, a shareholder namely Mr. Habibullah Ebrahim Akudi had made a complaint that 50,00,000 (Fifty Lakhs) shares have been transferred by the Acquirers and Dematted the same. In this regard, no further communication is found in the records of the Target Company.
 - g) It has been observed from the report of the statutory auditors for the financial year 2017-18 that the Target Company has not transferred Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) of unpaid dividend to the Investor Education and Protection Fund."
- 6.12 Additionally, SEBI has vide its order dated June 22, 2018 imposed a penalty of Rs. 25,00,000 (rupees twenty five lakhs only) on Mr. Zafar Yunus Sareshwala and Mr. Uves Yunus Sareshwala (the promoters of the Target Company) for failure to comply with the directions issued vide SEBI order dated July 10, 2010. (Source: SEBI order dated June 22, 2018 available on www.sebi.gov.in)
- 6.13 The pending litigation matters filed by/against the Target Company are given below:
- a) Income Tax:
The Target Company had received a hearing notice from the Income Tax Appellate Tribunal, Mumbai Benches, for assessment year 2007-08 intimating the hearing was fixed on April 30, 2020. However, the proceeding was not conducted due to country wide lockdown pursuant to the COVID-19 pandemic.
 - b) Companies Act: Matters pending at the Additional Chief Metropolitan Magistrate's 40th Court at Girgaon, Mumbai.
 - 1) ROC vs Parsoli Corporation 4247/2014: Next date September 3, 2020
 - 2) ROC vs Parsoli Corporation 4246/2014: Next date September 3, 2020
 - 3) ROC vs Parsoli Corporation 4245/2014: Next date September 3, 2020
 - 4) ROC vs Parsoli Corporation 4244/2014: Next date October 23, 2020
 - 5) ROC vs Parsoli Corporation 4243/2014: Next date September 3, 2020
 - 6) ROC vs Parsoli Corporation 4242/2014: Next date September 3, 2020
 - 7) ROC vs Parsoli Corporation 4241/2014: Next date December 28, 2020
 - 8) ROC vs Parsoli Corporation 3891/2014: Next date September 3, 2020
 - 9) ROC vs Parsoli Corporation 3892/2014: Next date September 3, 2020
 - 10) ROC vs Parsoli Corporation 3893/2014: Next date September 3, 2020
 - 11) ROC vs Parsoli Corporation 3894/2014: Next date September 3, 2020

The above prosecutions against the Target Company have been launched in connection with certain non-compliances found during the audit conducted by the Registrar of Companies, Mumbai. The Target

Company has been communicating with the Registrar of Companies, Mumbai, and is attempting to close the abovementioned prosecutions through the compounding route.

c) Matters at Hon'ble High Court:

1) Suit No. 2937 of 2009 -

Ibrahim Ahmed & Others Vs Parsoli Corporation Limited and Others :

Monetary reliefs have been claimed by the plaintiff in the said suit against all defendants as and by way of compensation/damages, connected with portfolio management scheme operated by the Target Company more than 14 years ago.

2) Suit No. 260 of 2009 -

Habibullah Ebrahim Akudi Vs Parsoli Corporation Limited and Others :

Specific relief is claimed in this suit for transfer of 50,00,000 equity shares of the Target Company to the plaintiff and the alternative, monetary relief is sought. In this suit *vide* an order in Notice of Motion 466 of 2009, there is an injunction restraining creation of third party rights with respect to these equity shares.

d) SEBI / SAT Matters:

1) SEBI has initiated investigation against the Target Company for alleged irregularity in the dealing in the shares of Dalal Street Investment Limited during the period from September 1, 2009 to July 24, 2009. SEBI has also taken penal actions against the Target Company and imposed penalty *vide* its order no. EAD/BJD/NJMR/92/2017-18 dated December 22, 2017. The Target Company has filed an appeal dated May 13, 2018 in Hon'ble Securities Appellate Tribunal, which is presently pending.

2) SEBI has, *vide* its letter no. EFD-I/RD-I/RK/12151/2018 dated April 20, 2018, advised the Target Company and others to pay Rs. 2,47,44,096.93 (rupees two crore forty seven lakhs forty four thousand ninety six and ninety three paise) towards interest and costs for the pending recovery. For further details please refer para 6.11(a) above.

(Source: Based on the information received from the Target Company. The Target Company was unable to share appropriate documents with the Manager to the Offer with regard to some of the pending litigation matters mentioned in para 6.13. Therefore, the Acquirers and the Manager to the Offer have relied upon such information as provided by the Target Company.)

6.14 The Target Company has not been a party to any scheme of amalgamation, restructuring, merger/de-merger and spin off during the preceding three (3) years. *(Source: Based on the information received from the Target Company)*

6.15 The Target Company has informed us that it is in compliance with the listing requirements of BSE and the SEBI LODR Regulations. For further details regarding the suspension of its equity shares on BSE and the steps taken by the Target Company to revoke the said suspension, please refer para 6.7 above. *(Source: Based on the information received from the Target Company)*

6.16 The Target Company has complied with the corporate governance requirements as per the requirements of BSE and the applicable provisions of the SEBI LODR Regulations. *(Source: Based on the information received from the Target Company)*

6.17 The details of the Company Secretary and Compliance Officer of the Target Company are given below:

Name	Address	Contact details	Date of appointment
Mahesh Kumar Amritlal Patel	Gadhar, Nandisan, Modasa, Dist. - Sabarkantha. Gujarat	Tel. No.: +91 635 13 31286 Email ID: patelmahesh_1977@yahoo.co.in	October 10, 2019

(Source: Based on the information received from the Target Company)

6.18 The details of the built-up of the paid equity share capital of the Target Company since inception and the status of compliance with the Takeover Regulations, 1997 is given below:

Date of allotment of equity shares	Equity shares issued		Cumulative paid up capital		Mode of allotment	Identity of Allottees (Promoters / Others)	Status of Compliance with Takeover Regulations, 1997
	No.	% of Total share capital	No.	% of Total share capital			
21.11.1990	2	100	02	100	Subscription to MOA	Promoters	N.A.
07.11.1991	520	99.62	522	100	Preferential allotment	Promoters	N.A.
31.08.1994	549,478	99.91	550,000	100	Preferential allotment	Promoters	N.A.
07.10.1994	450,000	45.00	1,000,000	100	Preferential allotment	Promoters	N.A.
13.01.1995	14,900	1.47	1,014,900	100	Preferential allotment	Promoters	N.A.
06.03.1995	250,000	19.76	1,264,900	100	Preferential allotment	Promoters	N.A.
06.03.1995	2,250,000	64.01	3,514,900	100	Public issue	Public	N.A.
30.07.2004	10,000,000	73.99	13,514,900	100	Preferential allotment	Promoters	Regulation 7(1A) and 7(3) complied
20.04.2006	1,000,139	6.89	14,515,039	100	Preferential allotment	Others	Regulation 7(1) and 7(3) complied
20.04.2006	350,000	2.35	14,865,039	100	Preferential allotment	Others	Regulation 7(1) and 7(3) complied
24.07.2006	12,059,861	44.79	26,924,900	100	Preferential allotment	Others	Regulation 7(1), 7(1A) and 7(3) complied
02.11.2009	1,102,227	3.93	28,027,127	100	Preferential allotment	Others	Regulation 7(1A) and 7(3) complied

(Source: Based on the information received from the Target Company)

6.19 The details of the non-compliances/statutory defaults etc. made by the Target Company in the last three years are given below:

- The Target Company failed to communicate the name, designation, and address of Parsoli's principal officer to the Financial Intelligence Unit – India (FIU – IND) as directed by RBI through its Master Circulars in a timely manner. Subsequently, the same was duly complied with by the Target Company.
- The Target Company failed to submit a certificate from its statutory auditor for the financial year ending March 31, 2017 to RBI as directed by the RBI circular no. DNBS (PD) 201 /DG (VL) 2008 dated September 18, 2008. The same was submitted by the Target Company subsequently.
- RBI issued a notice on January 28, 2019 to the Target Company for non-compliance of obtaining membership of all the four (4) Credit Information Companies. The Target Company submitted its response to the same to RBI on February 4, 2019.
- The Target Company had received a show cause notice from RBI dated October 11, 2018 for certain non-compliances which were subsequently complied with by the Target Company *vide* its reply letter dated November 15, 2018.
- The Target Company has delayed in making certain payments to the statutory authority for tax deducted at source.

(Source: Based on the information received from the Target Company)

6.20 The details of the changes in the shareholding for those individuals presently forming a part of the promoter and promoter group of the Target Company and whose shareholding has undergone a change since FY 2003-04 up till the date of this Draft Letter of Offer, for each financial year are given below:

Period	Name	Date of acquisition/ sale	Equity shares acquired		Equity shares sold		Mode of acquisition / sale	Status of Compliance with Takeover Regulations, 1997/ Takeover Regulations, 2011
			No. of equity shares	% of total equity share capital (*)	No. of equity shares	% of total equity share capital (*)		
F.Y. 2003-04	Mohd. Yunus Mohd. Habib Sareshwala	09.07.2003	39,800	1.13	-	-	Off-market purchase	N.A.
	Talha Yunus Sareshwala	19.03.2004	9,600	0.27	-	-	Off-market purchase	N.A.
	Saleha Yunus Sareshwala	13.06.2003	2,300	0.07	-	-	Off-market purchase	N.A.
	Saleha Yunus Sareshwala	23.09.2003	-	-	200	0.01	Off-market sale	N.A.
	Saleha Yunus Sareshwala	21.11.2003	-	-	3,500	0.10	Off-market sale	N.A.
	Saleha Yunus Sareshwala	03.03.2004	46,000	1.31	-	-	Off-market purchase	N.A.
	Juveria Ashfaq Puthawala	11.03.2004	19,500	0.55	-	-	Off-market purchase	N.A.
	Vajiha Talha Sareshwala	09.03.2004	2,500	0.07	-	-	Off-market purchase	N.A.
	Sumaiya Talha Sareshwala	19.03.2004	-	-	500	0.01	Off-market sale	N.A.
	Ahmed Zafar Sareshwala	02.03.2004	3,000	0.09	-	-	Off-market purchase	N.A.
	Aaliya Abrar Sareshwala	16.03.2004	10,000	0.28	-	-	Off-market purchase	N.A.
	F.Y. 2004-05	Zafar Yunus Sareshwala	30.07.2004	5,000,000	37.00	-	-	Preferential allotment
Talha Yunus Sareshwala		03.06.2004	1,000	0.01	-	-	Off-market purchase	N.A.
F.Y. 2006-07	Mohd. Yunus Mohd. Habib Sareshwala	01.11.2006	2,000,000	7.43	179,000	0.66	Inter-se-transfer	Regulation 7(1A) of Takeover Regulations, 1997. Complied
	Zafar Yunus Sareshwala	19.05.2006	-	-	2,08,100	0.77	Off-market sale	N.A.
	Uves Yunus Sareshwala	01.11.2006	1,500,000	5.57	-	-	Inter-se-transfer	Regulation 7(1A) of Takeover Regulations, 1997. Complied

	Talha Yunus Sareshwala	09.05.2006	-	-	2,46,000	0.92	Off-market sale	N.A.
	Talha Yunus Sareshwala	01.11.2006	1,500,000	5.57	-	-	Inter-se-transfer	Regulation 7(1A) of Takeover Regulations, 1997. Complied
	Juveria Ashfaq Puthawala	07.06.2006	440	0.00	-	-	Off-market purchase	N.A.
	Vajiha Talha Sareshwala	07.06.2006	150	0.00	-	-	Off-market purchase	N.A.
	Aaliya Abrar Sareshwala	18.04.2006	-	-	19,050	0.07	Off-market sale	N.A.
F.Y. 2007-08	Asiya Zafar Sareshwala	15.02.2008	1,490	0.01	-	-	Off-market purchase	N.A.
	Aaliya Abrar Sareshwala	13.09.2007	-	-	3000	0.01	Off-market sale	N.A.
	Aaliya Abrar Sareshwala	12.11.2007	150	0.00	-	-	Off-market purchase	N.A.
	Aaliya Abrar Sareshwala	15.02.2008	550	0.00	-	-	Off-market purchase	N.A.
F.Y. 2008-09	Juveria Ashfaq Puthawala	30.04.2008	-	-	2,000	0.01	Off-market sale	N.A.
	Aaliya Abrar Sareshwala	17.07.2008	1,500	0.01	-	-	Off-market purchase	N.A.
	Aaliya Abrar Sareshwala	17.11.2008	200	0.00	-	-	Off-market purchase	N.A.
	Aaliya Abrar Sareshwala	17.03.2009	350	0.00	-	-	Off-market purchase	N.A.
F.Y. 2018-19	Talha Yunus Sareshwala	09.04.2018	-	-	3,700	0.01	Off-market sale	N.A.
	Asiya Zafar Sareshwala	09.04.2018	165	0.00	-	-	Off-market purchase	N.A.
	Qudsiya Talha Sareshwala	09.04.2018	6,200	0.02	-	-	Off-market purchase	N.A.

(*) The percentages have been calculated based on the total equity share capital of the Target Company as on the close of the respective financial year.

Note: The Target Company is unable to trace and provide records of the changes in the shareholding of the promoter and promoter group for the period prior to FY 2003-04. Further, the Target Company is unable to trace and provide copies of some of the filings made under the Takeover Regulations, 1997 and other applicable regulations under the SEBI Act, 1992. Additionally, the Target Company is unable to trace and provide appropriate documents pertaining to the transactions mentioned in the table above (sale/purchase/inter-se transfer) undertaken by the members of the promoter and promoter group.

(Source: Based on the information received from the Target Company)

Note 1: The Manager to the Offer had vide its email dated April 29, 2020 sought a list of documents/information from the Target Company for the purpose of disclosure in the Open Offer documents. The information contained in para 6.1 to 6.9 and para 6.13 to 6.20 above has been sourced from such information as provided by the Target Company. The information about the Target Company contained in the above paras 6.10 and 6.11 have been sourced from information publicly available like the draft letter of offer dated July 25, 2018 filed with SEBI for and on behalf of the promoters of the Target Company, namely, Mr. Zafar Yunus Sareshwala and Mr. Uves Yunus Sareshwala; and the corporate announcements filed by the Target Company on the website of BSE (www.bseindia.com).

Note 2: As on the date of this Draft Letter of Offer, we do not have any additional information regarding the present status of the pending litigation matters as stated in paras above and/ or of any other cases involving the Target Company.

- 6.21 The 18 individuals presently forming a part of the promoter and promoter group of the Target Company have confirmed that they have complied with all the applicable provisions of Chapter II of the Takeover Regulations, 1997 and Chapter V of the Takeover Regulations, 2011 from FY 2003-04 onwards. However, the individuals forming a part of the promoter and promoter group of the Target Company have not complied with the requirements under Chapter II of the Takeover Regulations, 1997 prior to F.Y. 2003-04.
- 6.22 The 18 individuals presently forming a part of the promoter and promoter group of the Target Company have confirmed that they have complied with all the applicable provisions of SEBI PIT Regulations, 1992 and SEBI PIT Regulations, 2015. However, the individuals forming a part of the promoter and promoter group of the Target Company have been unable to trace and provide copy of the filings/ disclosures, if any made prior to FY 2003-04 under SEBI PIT Regulations, 1992.
- 6.23 The Target Company has confirmed that it has complied with all the applicable provisions of Chapter II of the Takeover Regulations, 1997 and Chapter V of the Takeover Regulations, 2011, in a timely manner, apart from the delays as stated in the table given below. However, the Target Company is unable to trace and provide: (i) records of filings under Chapter II of the Takeover Regulations, 1997 and other applicable SEBI regulations for the period prior to FY 2004-05 and (ii) copy of some of the filings/ disclosures made under the Takeover Regulations, 1997 by the Target Company.

Sr. No.	Regulation/ Sub-regulation	Due Date for compliance in the regulation	Actual date of compliance	Delay, if any (in No. of days) (Col. 4-Col.3)	Status of compliance with Takeover Regulations, 1997	Remarks
1	2	3	4	5	6	7
1	7(3)	November 25, 2009	December 2, 2009	7	Non-compliance	Preferential allotment of 13,50,139 shares to Baader Bank
2	7(3)	November 25, 2009	December 2, 2009	7	Non-compliance	Preferential allotment of 53,54,861 shares to Baader Bank
3	7(3)	November 25, 2009	December 2, 2009	7	Non-compliance	Sale of 8,00,000 equity shares in open market by Baader Bank

(Source: Based on the information provided by the Target Company)

- 6.24 The Target Company has confirmed that it has complied with all the applicable provisions of SEBI PIT Regulations, 1992 and SEBI PIT Regulations, 2015 in a timely manner, apart from the delays as stated in the table given below. However, the Target Company is unable to trace and provide: (i) records of filings under SEBI PIT Regulations for the period prior to FY 2003-04 and (ii) copy of some of the filings/ disclosures made under the SEBI PIT Regulations, 1992 and SEBI PIT Regulations, 2015 by the Target Company.

Sr. No.	Regulations / Sub-Regulations	Due Date for Compliance in the Regulations	Actual Date of Compliance	Delay, if any (in No. of days) (Col. 4 - Col. 3)	Status of Compliance with SEBI PIT Regulations	Remarks
1	2	3	4	5	6	7
1	13(6)	November 20, 2009	December 2, 2009	12	Non-compliance	Preferential allotment of 13,50,139 shares to Baader Bank
2	13(6)	January 1, 2010	January 4, 2010	3	Non-compliance	Preferential allotment of 53,84,980 shares to GIS

3	13(6)	November 20, 2009	December 2, 2009	12	Non-compliance	Preferential allotment of 53,54,861 shares to Baader Bank
4	13(6)	December 22, 2009	December 23, 2009	1	Non-compliance	Preferential allotment of 10,48,417 shares to Baader Bank

(Source: Based on the information provided by the Target Company)

6.25 Brief audited financial information of the Target Company for the financial years ended 2020, 2019 and 2018, are as under:

Particulars	FY 2020 (*)	FY 2019	FY 2018
(Rs. In Lakhs)			
<u>Profit & loss statement</u>			
Income from operations	-	-	-
Other income	1.07	2.00	6.78
Total income	1.07	2.00	6.78
Total expenditure	142.21	71.15	21.20
PBDIT	(141.14)	(69.15)	(14.42)
Depreciation	0.07	0.04	-
Interest	0.48	36.79	0.01
PBT	(141.69)	(105.98)	(14.43)
Tax expense	-	-	-
PAT	(141.69)	(105.98)	(14.43)
<u>Balance Sheet</u>			
Source of funds:			
Paid up share capital	2,802.71	2,802.71	2,802.71
Reserves and surplus (excluding revaluation reserve)	(3,610.66)	(3,468.97)	(3,362.99)
Net worth	(807.95)	(666.26)	(560.28)
Secured loan	-	-	-
Unsecured loan	728.59 ^(**)	565.58	563.28
Non-current liability	-	-	23.83
Total	(79.36)	(100.67)	26.84
Uses of funds:			
Net fixed assets	112.79	112.74	112.78
Investments	-	-	-
Non-current assets	53.73	53.74	275.50
Net current assets	(245.87)	(267.15)	(361.44)
Total miscellaneous expenditure not written off	-	-	-
Total	(79.36)	(100.67)	26.84
<u>Other Financial Data</u>			
Dividend (%)	-	-	-
Earnings per share (basic and diluted) (Rs.)	(0.51)	(0.38)	(0.05)
Return on net worth (%)	(17.54)	(15.90)	(2.58)
Book value per equity share (Rs.)	(2.88)	(2.38)	(2.00)

(*) *The audited financials for the year ended March 31, 2020 has been approved by the board of directors of the Target Company at a meeting of the board of directors held on July 31, 2020. The said audited financials are yet to be approved by the shareholders of the Target Company.*

(**) *The audited financial results for the year ended March 31, 2020 as disclosed on BSE do not contain the bifurcation of borrowings in secured and unsecured terms. Thus, the entire amount of borrowings as disclosed in such result has been assumed to be in the form of unsecured loans herein above.*

Notes:

Note 1: Source - The financial information as provided above for the financial years ended March 31, 2019 and 2018 to the extent disclosed has been extracted from the annual report for the respective years as provided by the Target Company. The financial information for the financial year ended March 31, 2020 to the extent disclosed have been extracted from the audited financial results as approved by the board of directors of the Target Company and as disclosed on the website of BSE.

Note 2: Net worth = Paid-up equity share capital plus reserves & surplus.

Note 3: Return on net worth = $\frac{\text{Profit/ (loss) after tax}}{\text{Net worth}}$

Note 4: Book value per share = $\frac{\text{Net worth (as calculated in 2 above)}}{\text{Weighted average number of equity shares outstanding during the respective year}}$

Note 5: The statutory auditor's report on the quarterly and year to date results for the quarter/ year ended March 31, 2020 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 gives a qualified opinion on the financial statements for the mentioned period. The qualification is reproduced herein below:

"In view of losses incurred during the current year as well as accumulated losses of the earlier years, the continuation of the company as a going concern is dependent on further infusion of funds in the company and lifting of the SEBI restrictions."

Note 6: The statutory auditor's report on the financial statements for the financial year ended March 31, 2019 draws attention to certain matters with regard to the Target Company. The same has been reproduced herein below:

- (i) *SEBI has restrained the Company, its whole time directors and its associates/ group companies from accessing the security market and also prohibited them from buying, selling or dealing in securities in any manner till further order.*
- (ii) *Various balances aggregating Rs. 4.53 crores credit and Rs. 4.53 crores debit have been written off/ back to profit and loss statement under the head sundry balance written off (net).*

In view of losses incurred during the current year as well as accumulated losses of the earlier years, the continuation of the Company as a going concern is dependent on further infusion of funds in the Company and lifting of the SEBI restrictions."

With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, the auditor has made the following observation:

"Unpaid dividend of Rs. 1,50,000 has not been transferred to the Investor Education and Protection Fund by the Company."

In addition to the above, please find below certain observations made by the statutory auditor in the audit report for the financial year ended March 31, 2019 reproduced herein below:

- (i) *In our opinion, the Company is not maintaining a proper record of inventory. The inventory records are combined for its own shares and shares of its clients. Hence, it is not possible to ascertain the discrepancies, if any, between the physical stock and the book records.*

- (ii) *To the best of our knowledge and according to the information and explanations given to us, the Company has not been generally regular in depositing the undisputed statutory dues consisting of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess with the appropriate authorities. There are no dues in respect of income tax, sales tax, wealth tax, customs duty, excise duty, value added tax or cess which have not been deposited by the Company with the appropriate authorities on account of any dispute. However, the company has written back old payables of income tax deducted at source of appr. Rs. 66 lakhs and old PF and ESI dues of appr. Rs. 2.44 lakhs to profit and loss during the year."*

(Source: Annual report for FY2018-19 as provided by the Target Company)

Note 7: The statutory auditor's report on the financial statements for the financial year ended March 31, 2018 draws attention to certain matters with regard to the Target Company. The same has been reproduced herein below:

- “
- (i) *We are unable to express our opinion on the reliability of loans and advances to the extent of Rs. 202 lakhs and the consequential impact that this would have on the balance sheet as at 31st March, 2017 and profit and loss statement for the year ended on that date.*
- (ii) *Trade receivables, loans and advances are subject to reconciliation and consequential adjustments if any as referred to in note no. 24(14).*
- (iii) *SEBI has restrained the Company, its whole time directors and its associates/ group companies from accessing the security market and also prohibited them from buying, selling or dealing in securities in any manner till further order.*
- (iv) *No provision has been made for doubtful trade receivables and loans and advances aggregating Rs. 2,95,53,595. Consequently, the loss for the year ended March 31, 2017 has been understated by Rs. 2,92,03,595.*

In view of losses incurred during the current year as well as accumulated losses of the earlier years, the continuation of the Company as a going concern is dependent on further infusion of funds in the Company and lifting of the SEBI restrictions."

With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, the auditor has made the following observation:

"Unpaid dividend of Rs. 1,50,000 has not been transferred to the Investor Education and Protection Fund by the Company."

In addition to the above, please find below certain observations made by the statutory auditor in the audit report for the financial year ended March 31, 2018 reproduced herein below:

- i) *In our opinion, the Company is not maintaining a proper record of inventory. The inventory records are combined for its own shares and shares of its clients. Hence, it is not possible to ascertain the discrepancies, if any, between the physical stock and the book records.*
- ii) *To the best of our knowledge and according to the information and explanations given to us, the Company has not been generally regular in depositing the undisputed statutory dues consisting of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess with the appropriate authorities. There are no dues in respect of income tax, sales tax, wealth tax, customs duty, excise duty, value added tax or cess which have not been deposited by the Company with the appropriate authorities on account of any dispute except income tax deducted at source of appr. Rs. 66 lakhs which has not been paid for the preceding ten years and PF and ESI dues of Rs. 2.44 lakhs."*

(Source: Annual report for FY2017-18 as provided by the Target Company)

6.26 The reasons for the rise/fall in the total income and/or profit/ (loss) after tax in the last three financial years and the nine months period ended December 31, 2019 are given below:

Rise/ fall in total income:

- a) Interest income of Rs. 0.90 lakhs from fixed deposit is constant in all the respective years/ period.
- b) In FY 2016-17, income from prior period amounting to Rs. 2.33 lakhs has been booked, thus resulting in a total income of Rs. 3.23 lakhs for FY 2016-17.
- c) In FY 2017-18, sundry balances written off amounting to Rs. 5.95 lakhs were reversed and hence the total income for FY 2017-18 increased as compared to the total income of FY 2016-17.
- d) In FY 2018-19, income from prior period amounting to Rs. 1.10 Lakhs was booked as a part of other income and hence the total income for FY 2018-19 stood at Rs. 2.00 lakhs.

Rise/ fall in profit/ (loss) after tax:

The loss after tax has decreased in FY 2017-18 as compared to the loss of FY 2016-17 due to the fall in finance cost during FY 2017-18 and; the loss after tax for FY 2018-19 and for the nine months period ended December 31, 20 has increased as compared to the loss after tax for FY 2017-18 due to the payment of long dues of CDSL-NSDL custodian fees and exchange listing fees for prior periods.

6.27 Pre and post Offer shareholding pattern of the Target Company based on the shareholding pattern as on June 30, 2020 (as provided by the Target Company) is as under:

Shareholder's Category	Shareholding & voting rights prior to the agreement/ acquisition and Offer (A)		Shares /voting rights agreed to be acquired which triggered off the Takeover Regulations (B)		Shares/voting rights to be acquired in Open Offer (Assuming full acceptances) (C)		Share holding / voting rights after the acquisition and the Offer A+B+C =D	
	No.	%	No.	%	No.	%	No. (*)	% (*)
1. Promoter group								
a. Parties to the SPA	-	-	-	-	-	-	-	-
b. Promoter group other than (a) above	1,10,91,945	39.58	-	-	-	-	1,10,91,945	39.58
Total 1 (a+b)	1,10,91,945	39.58	-	-	-	-	1,10,91,945	39.58
2. Acquirers								
a. Main acquirers								
GIS	53,84,980	19.21	-	-	19,44,440 ^(^)	6.94	73,29,420	26.15
Baader Bank	69,53,417	24.81	-	-	26,52,345 ^(v)	9.46	96,05,962	34.27
b. PACs	-	-	-	-	-	-	-	-
Total 2 (a+b)	1,23,38,397	44.02	-	-	45,96,785	16.40	1,69,35,182	60.42
3. Party to the agreement other than (1) (b) & (2)	-	-	-	-	-	-	-	-
4. Public (other than Acquirers) (**)								
a. FIs/MFs/FIIs/Banks, SFIs (Indicate names)	-	-	-	-	-	-	-	-
b. Others	45,96,785	16.40	-	-	(45,96,785)	(16.40)	-	-
Total (4) (a+b)	45,96,785	16.40	-	-	-	-	-	-
GRAND TOTAL	2,80,27,127	100	-	-	-	-	2,80,27,127	100

(*) Assuming full acceptance under the Offer.

(**) The total number of public shareholders (other than Acquirers) as on June 30, 2020 are 4,030.

(^) Note: Pursuant to the inter-se agreement dated June 19, 2020 entered into between the Acquirers, the Acquirers have agreed to acquire shares in the Open Offer in a given ratio. For further details, please refer to para 4.3 of this Draft Letter of Offer.

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

- 7.1.1. The Equity Shares of the Target Company are listed on the BSE (security code: 530071). As per BSE's website, presently, the equity shares of the Target Company are suspended from trading due to penal reasons.
- 7.1.2. The Equity Shares of the Target Company were trading during the six (6) calendar months preceding the month in which the PA was required to be made, i.e., between January 1, 2006 to June 30, 2006. The annualised trading turnover based on the trading volume in the equity shares of the Target Company on BSE between January 1, 2006 to June 30, 2006 (i.e., six (6) calendar months preceding the month in which the PA was required to be made) is as under:

Total no. of equity shares traded during the 6 (six) calendar months prior to the month in which PA was required to be issued	Weighted average no. of listed equity shares	Annualized trading turnover (as a % to weighted average no. of listed equity shares)
32,19,129	98,68,491 (*)	65.24%

(Source: BSE website)

(*) 13,50,139 Equity Shares issued and allotted to Baader Bank on April 20, 2006 pursuant to the preferential allotment were listed w.e.f. February 23, 2007 on BSE. Therefore, these equity shares have been excluded in the calculation of the 'listed' equity shares of the Target Company.

Note: As disclosed in the Draft Letter of Offer dated July 25, 2018 filed with SEBI for and on behalf of the promoters of the Target Company, namely, Mr. Zafar Yunus Sareshwala and Mr. Uves Yunus Sareshwala, and based on the information provided by the Target Company, the equity shares of the Target Company have been suspended from trading on BSE w.e.f. July 19, 2010.

- 7.1.3. Based on the above information, the equity shares of the Target Company are deemed to be frequently traded on BSE with reference to the trigger date as the annualized trading turnover based on the trading during six calendar months, i.e., January 1, 2006 to June 30, 2006, is more than 5% of the total number of listed Shares in terms of Explanation (i) to Regulation 20(5) of the Takeover Regulations, 1997.
- 7.1.4. The weekly high and low of the closing prices of Shares on BSE during the 26 weeks preceding the date the board resolution which authorized the preferential allotment was passed are given below:

Week No.	Week Ending	Weekly High (Rs.)	Weekly Low (Rs.)	Average (Rs.)	Weekly Volume (No. of Shares)
1	May 27, 2006	18.15	15.95	17.05	80,174
2	May 20, 2006	18.20	16.90	17.55	1,05,067
3	May 13, 2006	22.40	18.70	20.55	72,145
4	May 6, 2006	23.75	21.35	22.55	1,24,343
5	April 29, 2006	22.05	21.10	21.58	83,216
6	April 22, 2006	21.35	20.05	20.70	88,875
7	April 15, 2006	22.10	21.10	21.60	58,085
8	April 8, 2006	23.50	21.30	22.40	66,267
9	April 1, 2006	24.25	22.85	23.55	2,08,240
10	March 25, 2006	22.45	20.20	21.33	2,18,671
11	March 18, 2006	22.10	19.95	21.03	1,11,261
12	March 11, 2006	23.55	22.15	22.85	1,13,114
13	March 4, 2006	22.95	20.55	21.75	2,72,353
14	February 25, 2006	23.30	21.65	22.48	60,343
15	February 18, 2006	23.55	21.75	22.65	73,571
16	February 11, 2006	26.70	24.45	25.58	1,80,965
17	February 4, 2006	22.95	20.90	21.93	52,456

18	January 28, 2006	23.00	21.50	22.25	67,368
19	January 21, 2006	25.30	23.30	24.30	56,904
20	January 14, 2006	25.00	23.15	24.08	92,684
21	January 7, 2006	27.85	25.20	26.53	4,16,397
22	December 31, 2005	26.60	19.05	22.83	3,67,094
23	December 24, 2005	19.00	16.55	17.78	1,05,711
24	December 17, 2005	19.00	17.75	18.38	86,037
25	December 10, 2005	20.05	18.90	19.48	69,730
26	December 3, 2005	20.50	19.80	20.15	70,145
Average of 26 Weeks		=Rs. 21.65			

(Source: Derived from data available from the official website of BSE: www.bseindia.com)

- 7.1.5. The daily high and low of the closing prices of equity shares on the BSE, during the two weeks preceding the date of the public announcement when it was required to be made are given below:

Day No.	Dates	High (Rs.)	Low (Rs.)	Average (Rs.)	No. of Shares
1	July 27, 2006	19.50	18.55	19.03	9,036
2	July 26, 2006	19.00	17.50	18.25	7,615
3	July 25, 2006	18.50	17.50	18.00	5,203
4	July 24, 2006	17.60	16.65	17.13	11,460
5	July 21, 2006	17.80	16.90	17.35	6,714
6	July 20, 2006	17.95	16.90	17.43	5,232
7	July 19, 2006	17.50	16.60	17.05	6,810
8	July 18, 2006	18.20	17.35	17.78	12,606
9	July 17, 2006	18.50	17.60	18.05	3,040
10	July 14, 2006	19.60	16.00	17.80	27,110
		Average of 2 weeks = Rs. 17.79			

(Source: Derived from data available from the official website of BSE: www.bseindia.com)

- 7.1.6. The price of Rs. 26 per fully paid up equity share of face value Rs. 10 each of the Target Company is determined as the Offer Price, in terms of Regulation 20(4) read with Explanation (ii) to Regulation 20(11) of the Takeover Regulations, 1997, which is applicable to frequently traded shares taking into account the following factors:

Sr. No.	Particulars	Price (Rs.)
1	Negotiated Price under an agreement for purchase of shares.	Not Applicable
2	The price paid by the Acquirers for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty-six (26) week period prior to the date when the PA was required to be made, whichever is higher. (*)	26.00
3	The average of the weekly high and low of the closing prices quoted on BSE, being the stock exchange where the equity shares of the Target Company are frequently traded, during the 26 week period preceding the date of the board resolution which authorized the preferential allotment, i.e., June 3, 2006	21.65
4	The average of daily high and low prices quoted on BSE being the stock exchange where the equity shares of the Target Company are frequently traded during the two (2) weeks preceding the date when the PA was required to be made.	17.79

(*) A preferential allotment was made by the Target Company on April 20, 2006 to Baader Bank at Rs. 26 per equity share. Additionally, another preferential allotment was made by the Target Company on July 24, 2006 to Baader Bank and GIS at Rs. 22 per equity share. The highest price paid by Baader Bank

for the said acquisitions was Rs. 26 per equity share; and the average price paid by Baader Bank for the said acquisitions was Rs. 22.81 per equity share. The highest and the average price paid by GIS for the said acquisition was Rs. 22 per equity share. Since the price of the preferential allotment made on April 20, 2006 is highest, the same has been taken into account.

- 7.1.7. In view of the parameters laid down in terms of Takeover Regulations, 1997 and as presented in the table above, the Offer Price of Rs. 26 being the highest amongst the above parameters is, in the opinion of the Manager to the Offer, justified in terms of Regulation 20(4) read with Explanation (ii) to Regulation 20(11) of the Takeover Regulations, 1997.
- 7.1.8. The Acquirers have not entered into any agreement for payment of non-compete fee.
- 7.1.9. Based on the above, the Offer Price is justified in terms of Regulation 20(4) read with Explanation (ii) to Regulation 20(11) of the Takeover Regulations, 1997.
- 7.1.10. The Acquirer is permitted to revise the Offer Price upward up to seven (7) working days prior to the date of closure of the Offer. In the event of such a revision, an announcement would be made in the same newspapers in which the PA has appeared and the revised Offer Price would be paid for all equity shares accepted under the Offer.
- 7.1.11. The Acquirers shall not acquire any equity shares in the Target Company during the Offer Period except in compliance with the Takeover Regulations, 1997 and the details of such acquisitions shall be disclosed to the BSE and to the Manager to the Offer within 24 hours thereof in terms of Regulation 22(17) of the Takeover Regulations, 1997.
- 7.1.12. The Offer Price shall not be less than the highest price paid by the Acquirers for any acquisition of equity shares of the Target Company from the date of the PA upto seven working (7) days prior to the closure of the Offer. Further, no equity shares shall be acquired during the last seven (7) working days prior to the closure of the Offer, except those accepted in the Offer.

7.2. Offer Price for Original Shareholders and other Shareholders

- 7.2.1. Original Shareholders who validly tender their shares in the Open Offer will be entitled to receive the Offer Price of Rs. 26.00 per equity share plus the Interest Component on the Eligible Equity Shares to be paid to them by the Acquirers in cash.
- 7.2.2. In compliance with the SEBI Order, the Acquirers have to pay an interest of 10% *per annum* from October 30, 2006 onwards till the date of the payment of consideration of this Open Offer, to all the Original Shareholders holding Eligible Equity Shares as explained in para 7.3.1 of this Draft Letter of Offer. The Interest Component to be paid to the Original Shareholders (assuming the date of the payment of the consideration in this Open Offer is November 30, 2020) at a simple interest rate of 10% is Rs. 35.13 per Eligible Equity Share (“**Interest Component**”).
- 7.2.3. In respect of the other Public Shareholders, the Offer Price would be Rs. 26.00 per equity share.

7.3. Interest Payment and Original Shareholders

- 7.3.1. The Interest Component will be paid on the Offer Price of Rs. 26.00 per equity share and is payable only to the Original Shareholders who are holding Eligible Equity Shares. Eligible Equity Shares can be identified on the basis of the examples illustrated in para 7.3.2 below.
- 7.3.2. The following examples illustrate the identification of Eligible Equity Shares:
 - a) an Original Shareholder who held 100 equity shares on July 24, 2006 and subsequently sold 25 equity shares will be considered to be holding 75 Eligible Equity Shares, provided that such equity shares are tendered and accepted under the Offer;
 - b) an Original Shareholder who held 100 equity shares on July 24, 2006 and subsequently purchased 50 equity shares will be considered to be holding 100 Eligible Equity Shares, provided that such equity shares are tendered and accepted under the Offer; and

- c) an Original Shareholder who held 100 equity shares on July 24, 2006, and subsequently sold 25 equity shares and then bought 25 equity shares, will be considered to be holding 75 Eligible Equity Shares, and if such shareholder has subsequently sold and purchased 50 more equity shares, he will be considered to be holding 50 Eligible Equity Shares, provided that in each such case, the relevant equity shares are tendered and accepted under the Offer and the principle of Last In First Out (“LIFO”) would apply, i.e., the equity shares which were acquired last would be deemed to have been sold first.
 - d) an Original Shareholder who held 100 equity shares on July 24, 2006, and subsequently bought 25 equity shares and then sold 25 equity shares, will be considered to be holding 100 Eligible Equity Shares, and if such shareholder has subsequently purchased and sold 50 more equity shares, he will be considered to be holding 100 Eligible Equity Shares as he holds at least 100 equity shares all the time from July 24, 2006 till the date of tendering in the Offer, provided that in each such case, the relevant equity shares are tendered and accepted under the Offer and the principle of LIFO would apply, i.e., the Equity Shares which were acquired last would be deemed to have been sold first.
- 7.3.3. Since this Open Offer is to acquire all the Equity Shares held by the Public Shareholders, it is not possible that the aggregate of the valid responses in this Open Offer will exceed the Offer Size. Therefore, over-subscription in this Open Offer will not be applicable
- 7.3.4. In case of Equity Shares held in demat form, buy/sell of equity shares will be determined based on the demat statements required to be sent by the Original Shareholders for all periods after the Trigger Date. This will be subject to availability of beneficiary positions for the earlier periods. The above examples illustrate the identification of the Eligible Equity Shares.
- 7.3.5. As described above, only Original Shareholders whose Eligible Equity Shares are tendered and accepted in the Offer will be eligible for receiving Interest Component under the Offer. Such Interest Component will be payable only on the Eligible Equity Shares w.e.f. from October 30, 2006 upto the date of payment of the consideration in this Open Offer. Such eligibility for interest will be determined on the basis of the Register of Members/ Register of Beneficial Owners as maintained by the Registrars and Share Transfer Agents of Parsoli Corporation Limited, Link Intime India Private Limited and as provided by the depositories, i.e., NSDL and CDSL duly supported by the demat statements required to be sent by the Original Shareholders for all periods after the Trigger Date in the following manner:
- a) List of Members of the Target Company as on July 24, 2006.
 - b) Details of all the transfers/transmissions/deletions/transpositions, for equity shares held in physical form that have taken place since July 24, 2006 till the Offer Closing Date.
 - c) Beneficiary position data as downloaded by the Registrar & Share Transfer Agent from time to time since July 24, 2006 till the Offer Closing Date, excluding for the period for which such data is not available with the said Registrar.
 - d) Details of changes, if any, of name of the Original Shareholder, in the case of equity shares held in physical form, the endorsement(s) on the face or back of the relevant share certificate(s).
 - e) Register of Members and Register of Beneficial Owners as on the Offer Closing Date.
 - f) Details of dematerialization and rematerialization requests that have been confirmed to the depositories on the Offer Closing Date.
 - g) Details of the changes, if any, on account of consolidation of holdings in one or more folios and split of holdings in case of equity shares held in physical form.
- 7.3.6. Furthermore, those Shareholders who claim to be eligible for the Interest Component should also submit the following documents to enable the Registrar to the Offer to determine their eligibility for the Interest Component under the Offer, along with and within the same terms of, other documents mentioned under various sub-para of para 9 of this Draft Letter of Offer including the Form of Acceptance cum Acknowledgement before the Offer Closing Date:
- a) Original Shareholders holding equity shares in physical form will be eligible for interest if no transfers have been registered after July 24, 2006 in “memorandum of transfers” in the share certificate submitted in original, as disclosed in para 9.5.2 of this DLOF.

b) Original Shareholders holding equity shares in demat form must submit:

- Details of folio(s) in which equity shares were held in physical form on the Trigger Date but which has been dematerialized subsequently or a photocopy of share certificate (front and reverse), if available.
- Transaction/ holding statement obtained from depository participant (“DP”) since the date of dematerialization /purchase till the date of submission of the Form of Acceptance cum Acknowledgement along with the delivery instruction for transferring equity shares to the Special Depository Account opened for this Offer.
- Change of name: Those Original Shareholders who have changed their names at any time between July 24, 2006 till the date of tendering their equity shares in this Offer, are advised to submit the evidence of change of name, to enable the Registrar to the Offer to determine the eligibility of such shareholders to receive the Interest Component.
- Transmission: Those Original Shareholders who have acquired title to the Equity Shares by transmission, either due to death of the sole / any of the joint holders, or through operation of law are advised to submit documentary evidence in support of such transmission including the details of the original holder's name, number of equity shares held at the time of transmission, the date of application for transmission, and in case equity shares held in physical form, the folio number and in case of beneficial owners, the DP name, DP ID, beneficiary account number, to enable the Registrar to the Offer to determine the eligibility of such shareholders to receive the Interest Component.
- Transposition: Those Original Shareholders holding Eligible Equity Shares, who are joint holders of equity shares and have transposed their names, i.e., changed the order in which their names are recorded in the share certificates or in the record maintained by the depository are advised to submit documentary evidence in support of such transportation including the details of the original holder's name, number of equity shares held at the time of transportation, the date of application for transportation and the folio number to enable the Registrar to the Offer to determine the eligibility of such shareholders to receive the Interest Component.

7.3.7. In the event the Registrar to the Offer does not receive the above mentioned documentation from the shareholders who deem to be eligible for the Interest Component, the Registrar to the Offer is entitled to rely on the list of Original Shareholders holding Eligible Equity Shares determined on the basis of the register of members/ shareholders register/ beneficial records as provided by the depository(s), i.e., NSDL and CDSL described in para 7.3.5 above.

7.3.8. Furthermore, the shareholders who are not registered on the register of members/ shareholders register/ beneficial records as provided by the depository(s), i.e., NSDL and CDSL (“**Unregistered Shareholders**”) and held equity shares in physical form who deem to be eligible for the Interest Component, are required to provide the above mentioned documentation in order to be eligible for the Interest Component. Upon failure to provide such documentation, they will not be considered Original Shareholders for the purpose of the Offer.

7.4. Financial Arrangement

7.4.1. The total funding requirement to make payment of consideration of the Offer Price and the Interest Component for the acquisition of the equity shares tendered in the Open Offer is upto Rs. 28,10,01,468 (rupees twenty eight crores ten lakhs one thousand four hundred and sixty eight only) assuming full acceptance and assuming that the date of the payment of consideration is November 30, 2020 and the Interest Component is paid on all the Equity Shares proposed to be acquired under this Open Offer (i.e., being upto 45,96,785 equity shares) (“**Maximum Consideration**”).

7.4.2. The Acquirers, the Manager to the Offer and Kotak Mahindra Bank Limited, a banking company incorporated under Companies Act, 1956, licensed under the Banking Regulation Act, 1949, having its registered office at 2nd Floor, 27 BKC, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 and acting through its branch office at Nariman Point, Mumbai, have entered into an Escrow Agreement on August 10, 2020, for the purpose of the Offer (“**Escrow Agreement**”). Pursuant to the Escrow Agreement and in compliance with Regulation 28(1) of the Takeover Regulations, 1997, the Acquirers have opened an Escrow Account in the name and style of “**Escrow Account Parsoli Corporation Open Offer**” bearing Account number 3014171834 (“**Escrow Account**”). The Acquirers on August 24, 2020 have jointly deposited Rs. 7,02,55,000 (rupees seven crores two lakhs and fifty five thousand only) in cash in the Escrow Account, which is atleast 25% of the value of Maximum Consideration payable under the Offer, as certified by Kotak Mahindra Bank Limited *vide* their letter dated August 25, 2020.

- 7.4.3. The Acquirers have duly authorised the Manager to the Offer to realise the value of the Escrow Account and operate the Escrow Account in terms of Regulation 28(5) of the Takeover Regulations, 1997.
- 7.4.4. The Acquirers have adequate resources and have made firm financial arrangements for financing the acquisition of the equity shares under this Offer, in accordance and in compliance with Regulation 16(xiv) of the Takeover Regulations, 1997. The financial obligations of the Acquirers under the Offer will be fulfilled through internal resources and/ or borrowings in the normal course of business of the Acquirers and no further borrowings from Banks or FI's or otherwise is envisaged.
- 7.4.5. Mr. Rakesh Agarwal, (Membership no. 170685) Partner M/s K C P L and Associates LLP, Chartered Accountants, having its registered office at 77, Ground Floor, Virwani Ind. Estate, off Western Express Highway, Goregaon (East), Mumbai – 400063, has certified *vide* two certificates dated June 19, 2020 that both the Acquirers have adequate financial resources and have made firm financial arrangements to meet the fund requirements for the acquisition of the equity shares of the Target Company under this Open Offer.
- 7.4.6. Based on the above and in light of the escrow arrangement, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to fulfill their obligations through verifiable means in relation to this Offer in accordance with the Takeover Regulations, 1997.

8. TERMS AND CONDITIONS OF THE OFFER

8.1. Operational terms and conditions:

- 8.1.1 This is not a conditional offer and is not subject to any minimum level of acceptance from the Public Shareholders.
- 8.1.2 The Letter of Offer, specifying the detailed terms and conditions, together with the form of acceptance-cum-acknowledgement (“**Form of Acceptance**”) and form of withdrawal (“**Form of Withdrawal**”), will be mailed to all the Public Shareholders of the Target Company whose names appear on the register of members of the Target Company, as at the close of business hours on September 25, 2020 (“**Specified Date**”).
- 8.1.3 Accidental omission to dispatch of the Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 8.1.4 The acceptance of the Offer should be sent in the attached Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at any of the collection centres mentioned in para 9.4 under heading “Procedure for Acceptance and Settlement” of the Draft Letter of Offer, on or before the Offer Closing Date. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.
- 8.1.5 The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.
- 8.1.6 This Offer is subject to terms and conditions set out in the Letter of Offer, the Form of Acceptance, the Form of Withdrawal, the PA, and any other public announcements that may be issued with respect to this Offer.
- 8.1.7 The PA and the Letter of Offer along with the Form of Acceptance would also be available at SEBI's website (www.sebi.gov.in), BSE's website (www.bseindia.com), Target Company (www.parsoli.com), Manager to the Offer (www.plindia.com) and the Registrar to the Offer (www.linkintime.co.in). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired equity shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance cum Acknowledgement from the above websites.
- 8.1.8 The acceptance of the Offer by Public Shareholders must be unconditional and absolute. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

- 8.1.9 Incomplete acceptances, including non-submission of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 8.1.10 The Acquirers, the Manager to the Offer and/or the Registrar to the Offer accept no responsibility for any loss of Offer acceptances forms, share certificates etc., during transit and the equity shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

8.2. Locked in Equity Shares:

The locked-in Equity Shares, if any, acquired pursuant to the offer can be transferred to the Acquirers, subject to the continuation of the residual lock-in period in the hands of the Acquirers. The Manager to the Offer will ensure that there shall be no discrimination in the acceptance of locked-in and non-locked-in equity shares.

8.3. Persons eligible to participate in the Offer:

All owners of fully paid equity shares, registered or unregistered, of the Target Company (except (i) the Acquirers, (ii) persons deemed to be acting in concert with the Acquirers, and (iii) the promoters of the Target Company and (iv) the associates and family members of the promoters of the Target Company) are eligible to participate in the Open Offer. Further, pursuant to the SEBI Order, the promoters of the Target Company and the associates and the family members of the promoters of the Target Company cannot participate in the Open Offer.

8.4. Statutory and other approvals:

- 8.4.1 Except the prior approval from RBI for acquiring equity shares in the open offer in accordance with Master Direction No. DNBR.PD.007/03.10.119/2016-17 dated September 1, 2016 and as amended from time to time, as of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirers, there are no other regulatory or statutory approvals required for this Open Offer. If any other statutory approval(s) becomes applicable prior to the completion of the Open Offer, this Open Offer would also be subject to such other statutory approval(s) being received. Further, the Acquirers will not dispatch the Letter of Offer for this Open Offer to the Public Shareholders of the Target Company until such time the prior approval is received from RBI. Further, in terms of Regulation 27 of the Takeover Regulations, 1997, the Acquirers will have the right to not proceed with the Open Offer, in the event the required statutory approvals (including from RBI) are not received by them.
- 8.4.2 Except the prior approval from RBI for this Open Offer as explained in para 8.4.1 above, there is no other approval required from the financial institutions or banks for this Open Offer.
- 8.4.3 In case of delay in receipt of any statutory approval(s) as mentioned in para 8.4.1 above, SEBI has the power to grant an extension of time to the Acquirers for payment of consideration to the Public Shareholders of the Target Company, subject to the Acquirers agreeing to pay interest, if any, for the delayed period if directed by SEBI in terms of Regulation 22(12) of the Takeover Regulations, 1997.
- 8.4.4 The acquisition of the equity shares tendered by Non-Resident Indian ("NRI"), foreign portfolio investor ("FPI") and Overseas Corporate Bodies ("OCB") are subject to approval/exemption, if applicable, from the RBI. NRI, FPI and OCB holders of equity shares, if any, must obtain all requisite approvals required to tender the equity shares held by them pursuant to this Open Offer (including without limitation, the approval from the RBI and/or any such statutory body(s)) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if the holders of the equity shares who are not persons resident in India (including NRIs, OCBs, FPI) had required any approvals (including from the RBI and/or any such statutory body(s)) 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 Open Offer, along with the other documents required to be tendered, to accept this Open Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such equity shares tendered in this Open Offer.
- 8.4.5 The Acquirers have made an application dated September 1, 2020 to RBI for obtaining the prior approval for this Joint Open Offer in accordance with Master Direction No. DNBR.PD.007/03.10.119/2016-17 dated September 1, 2016 and as amended from time to time.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 9.1. The Letter of Offer, specifying the detailed terms and conditions, together with the form of acceptance-cum-acknowledgement (“**Form of Acceptance**”) and Form of Withdrawal, will be mailed or electronically dispatched to all the Public Shareholders of the Target Company whose names appear on the register of members of the Target Company, as at the close of business hours on September 25, 2020 (“**Specified Date**”). Pursuant to the relaxations provided by SEBI *vide* its circular bearing reference number SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 read with its circular bearing reference number SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020 the Acquirers may opt for only an electronic dispatch of the Letter of Offer. In which case, the Acquirers shall publish an announcement in the same newspaper in which the Public Announcement was published, informing the public shareholders of electronic dispatch of the Letter of Offer.
- 9.2. All owners of fully paid equity shares, registered or unregistered, of the Target Company (except (i) the Acquirers, (ii) persons deemed to be acting in concert with the Acquirers, and (iii) the promoters of the Target Company and (iv) the associates and family members of the promoters of the Target Company) are eligible to participate in the Open Offer during the Tendering Period.
- 9.3. The Public Shareholders should provide all relevant documents, as applicable, which are necessary to ensure transferability of the equity shares in respect of which the Form of Acceptance is being sent including, but are not limited to:
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single shareholder) if the original shareholder has expired;
 - Duly attested power of attorney if any person apart from the shareholder has signed;
 - Original Share certificate along with the Share Transfer Deed(s) or photocopy of the delivery instruction in ‘Off-Market’ mode or counterfoil of the delivery instruction in ‘Off-Market’ mode, duly acknowledged by the relevant depository participant;
 - Transaction/ holding statement obtained from depository participant (“DP”), in case eligible for Interest Component, since the date of dematerialization /purchase till the date of submission of the Form of Acceptance along with the delivery instruction for transferring equity shares to the Special Depository Account opened for this Offer;
 - In case of a body corporate the necessary corporate authorization (including certified copy of board and / or general meeting resolution(s) and signature(s) of the authorized signatories duly attested);
 - Any other relevant documents, as applicable.
- 9.4. Public Shareholders of the Target Company who wish to tender their equity shares in the Open Offer shall send / deliver the Form of Acceptance along with all the relevant documents as stated in para 9.5.2 below to any of the collection centers of the Registrar to the Offer as mentioned below, in accordance with the procedure as set out in the Letter of Offer:

Sr. No.	Collection Center	Address of the Collection Center	Contact person	Email id	Phone no.	Mode of delivery
1	Mumbai	Link Intime India Pvt Limited, C- 101, 247 park, 1st floor, L.B.S. Marg, Vikhroli west, Mumbai – 400083	Sumeet Deshpande	parsoli.openoffer@linkintime.co.in	022-49186200	Hand Delivery / Courier / Registered Post
2	New Delhi	Link Intime India Pvt Limited, Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi -110058	Swapan /Bharat	parsoli.openoffer@linkintime.co.in	011-1410592/93/94	Hand Delivery
3	Ahmedabad	Link Intime India Pvt Limited,	Chandrasekher	parsoli.openoffer@linkintime.co.in	079-2646 5179	Hand Delivery

		5th Floor, 506-508, Amarnath Business centre -1 (ABC -1) Beside Gala Business Centre, Near ST. Xavier's College Comer, Off C G Road, Ellis bridge, Ahmedabad - 380006				
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Note: For hand delivery, the collection centres timings will be all working days, anytime from Monday to Friday, between 10am to 1pm and 2pm to 5pm, except Saturdays, Sundays and public holidays.

9.5. Tendering of equity shares:

As per the applicable provisions of FEMA Regulations, 2019, a person resident outside India is permitted to purchase the equity shares of a listed Indian company on the stock exchange if such person has already acquired control of such Indian listed company in accordance with the SEBI Takeover Regulations, 2011 / 1997. The Acquirers do not have control over the Target Company nor are they acquiring control pursuant to this Open Offer. Accordingly, the Acquirers (being persons resident outside India) are not permitted to purchase the equity shares of the Target Company on the stock exchange under the mechanism for acquisition of equity shares specified *vide* SEBI circular CIR/CFD/POLICYCELL/2015 dated April 13, 2015 (“**SEBI Circular, 2015**”) and SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016. Thus, in accordance with clause 3(c) of the SEBI Circular, 2015, the Acquirers will follow the tender offer method in this Open Offer. For the same, the Registrar to the Offer has opened a Special Depository Account with National Securities Depository Limited.

9.5.1. For shareholders holding dematerialized equity shares:

- (i) Public Shareholders holding the fully paid up equity shares of the Target Company in dematerialized form who wish to tender their equity shares in this Open Offer will be required to send the documents as specified in the Letter of Offer along with their Form of Acceptance and the photocopy or counterfoil of the delivery instructions in 'Off-market' mode, duly acknowledged by the Depository Participant (“**DP**”), in favour of the Special Depository Account to the collection centers of Link Intime India Private Limited acting as the Registrar to the Offer (“**Registrar to the Offer**”), to the addresses as mentioned in para 9.4 above, either by hand delivery on weekdays or by registered post, so as to reach them on or before the closing of the Tendering Period, i.e., being, November 3, 2020, in accordance with the instructions as specified in the Letter of Offer and in the Form of Acceptance.
- (ii) Transaction/ holding statement obtained from depository participant (“**DP**”), in case eligible for Interest Component, since the date of dematerialization /purchase till the date of submission of the Form of Acceptance along with the delivery instruction for transferring equity shares to the Special Depository Account opened for this Offer.
- (iii) The Registrar to the Offer has opened a special depository account for the Open Offer with National Securities Depositories Ltd. (“**NSDL**”) as Depository, Ventura Securities Limited as Depository Participant called, “**ESCROW DEMAT ACCOUNT LIPL PARSOLI CORPORATION OPEN OFFER**” (“**Special Depository Account**”). The DPID is IN303116 and Client ID is 13099052. Public Shareholders of the Target Company having their beneficiary account in Central Depository Services Limited (“**CDSL**”) shall use the inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL.
- (iv) In case of non-receipt of the required documents, but receipt of the equity shares in the Special Depository Account, the Acquirers may deem the Offer to have been accepted by the Public Shareholder.
- (v) Dematerialized equity shares tendered pursuant to the Form of Acceptance but not credited to the Special Depository Account on or before the closing of the Tendering Period, i.e., November 3, 2020 are liable to be rejected. **Public Shareholders are therefore requested to tender the delivery instructions at least two (2) working days prior to the date of the closing of the Tendering Period.**
- (vi) For payment of consideration to the dematerialized shareholders whose shares are accepted in this Open Offer, the bank account particulars as obtained from the Depository for such shareholders will be considered for payment and the payment instrument / instructions will be issued with such bank account particulars.

9.5.2. For shareholders holding physical equity shares:

Public Shareholders who hold equity shares of the Target Company in physical form and wish to tender their equity shares in the Open Offer will be required to follow the procedure given below:

- (i) As per the provisions of Regulation 40(1) of the SEBI LODR Regulations and SEBI Press release 49/2018 dated December 3, 2018, requests for transfer of securities are not to be processed unless the securities are held in dematerialised form with a depository w.e.f. April 1, 2019. However, as per SEBI circular bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, it has been clarified by SEBI that the equity shares held by the Public Shareholders in physical form can be tendered in open offers. Thus, the equity shares held by the Public Shareholders in physical form that are validly tendered in the Open Offer will be accepted in accordance with the instructions as specified in the Letter of Offer and in the Form of Acceptance.
 - (ii) Public Shareholders holding the fully paid up equity shares of the Target Company in physical form who wish to tender their equity shares in this Open Offer will be required to send their Form of Acceptance, alongwith the following documents:
 - (a) Original Share Certificate(s)
 - (b) Valid Share Transfer Deed(s) duly signed as transferors (by all Public Shareholders in the same order in which equity shares are held in case the equity shares are in joint names) as per the specimen signature(s) and duly witnessed at the appropriate place. The Share Transfer Deed should be left blank, except the signature portion and witness portion as mentioned above. Attestation, where required (thumb impression, 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 of a member of a recognised stock exchange under their seal of office and membership number or manager of the transferor's bank.
 - (c) In case the equity shares stand in the name of a sole shareholder, who is deceased, then the Form of Acceptance must be signed by the legal representative(s) of the deceased and submitted along with a certified or attested true copy of the probate /letter of administration/ succession certificate, while accepting this Offer.
 - (d) In case of a registered shareholder, in case we do not receive the aforesaid documents, but receive the share certificates alongwith the duly completed transfer deed, the same shall be deemed to be acceptance of the Offer. Notwithstanding that the signature(s) of the transferor(s) has /have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) or are not in the same order, such equity shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such equity shares.
 - (e) Duly attested power of attorney, if any person other than the shareholder has signed the Form of Acceptance and Share Transfer Deed(s).
 - (f) In case of companies, the necessary corporate authorisations including the following:
 - Board resolution authorising such acceptance /power to sell the Shares.
 - Board resolution authorising execution of transfer documents.
 - Signature(s) of the Authorised Signatories duly attested
- 9.6. Unregistered owners or Public Shareholders who have not received the Letter of Offer and would like to tender their shares in the Open Offer, may (i) download the Letter of Offer from the website of SEBI (www.sebi.gov.in) or BSE (www.bseindia.com) or the Target Company (www.parsoli.com) or the Manager to the Offer (www.plindia.com) or the Registrar to the Offer (www.linkintime.co.in), (ii) obtain a copy of the same by writing to the Registrar to the Offer and/or the Manager to the Offer, (iii) make an application to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number and send the same alongwith the original share certificate(s) and share transfer deed(s)/ photocopy of the delivery instruction in 'Off-market' mode or counterfoil of the delivery instruction in 'Off-market' mode, duly acknowledged by the DP, in favour of the Special Depository Account (as applicable), so as to reach the Registrar to the Offer on or before the closing of the Tendering Period, i.e., November 3, 2020. Further, no indemnity is required from the unregistered owners.

- 9.7. Public Shareholders who have sent their share certificates for dematerialization should provide the following documents alongwith the duly filled in Form of Acceptance:
- (i) A copy of the dematerialization request form duly acknowledged by the Shareholder's depository participant.
 - (ii) Such Public Shareholders need to ensure that the process of getting their equity shares dematerialized is completed in time for the credit in the Special Depository Account, to be received on or before 5:00 pm on the Offer Closing Date, or else their application will be rejected. Alternatively, if the equity shares sent for dematerialization are yet to be processed by the shareholder's DP, the shareholder can withdraw its dematerialization request and tender the Share certificate(s) in this Offer as per the mentioned procedure.
- 9.8. Applications in respect of equity shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Open Offer.
- 9.9. The Registrar to the Offer will hold in trust the share certificates, Share Transfer Deed(s), equity shares held in credit of the Special Depository Account and the Form of Acceptance, if any, on behalf of the Public Shareholders of the Target Company who have accepted the Offer, until the cheques/drafts are dispatched or payment made through electronic mode for the consideration or the share certificates are posted/ unaccepted equity shares are credited.
- 9.10. Since this Open Offer is to acquire all the equity shares held by the Public Shareholders, it is not possible that the aggregate of the valid responses in this Open Offer will exceed the Offer Size. Therefore, oversubscription in this Open Offer will not be applicable. Further, it should be noted that *vide* the SEBI Order, the promoters of the Target Company, their associates and family members cannot tender their equity shares in this Open Offer being made by the Acquirers.
- 9.11. In case of equity shares held in physical form, to the extent of the equity shares not accepted in the Open Offer, the rejected share certificates, Share Transfer Deed(s) and any other documents if any, will be returned by Registered Post at the shareholders' / unregistered owners' sole risk by the Registrar to the Offer to the sole / first shareholder. For the physical equity shares accepted under the Offer, the Registrar to the Offer shall take action for transferring the equity shares to the Acquirers after the payment of consideration to the concerned shareholders.
- 9.12. In case of equity shares held in dematerialized form, unaccepted equity shares will be credited back to the shareholders' depository account with the respective Depository Participant as per the details furnished in the Form of Acceptance. Rejected documents, if any, will be returned by Registered Post at the shareholders' / unregistered owners' sole risk by the Registrar to the Offer to the sole / first shareholder. For the equity shares lying in the Special Depository Account, the Registrar to the Offer shall take action for transferring the equity shares to the Acquirers after the payment of consideration to the beneficial owners.
- 9.13. The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Open Offer.
- 9.14. The Acquirers will purchase the shares from the Public Shareholders of the Target Company who have validly tendered their equity shares in this Open Offer and remit the consideration in respect thereof within fifteen (15) days from closure of the Tendering Period by crossed account payee cheques/ demand drafts / electronic transfers.
- 9.15. Equity shares tendered in the Open Offer by the Public Shareholders of the Target Company shall be free from lien, charges or encumbrances of any kind whatsoever.
- 9.16. Persons who have acquired equity shares but whose names do not appear in the register of members of the Target Company as on the Specified Date, or unregistered owners or those who have acquired equity shares after the Specified Date, or those who have not received the Letter of Offer, may also participate in this Offer. No indemnity is needed from the unregistered shareholders.

- 9.17. The equity shares tendered by the Public Shareholders along with all other relevant documents required to be submitted, should be sent to the Registrar to the Offer and NOT to the Acquirers or to the Target Company or to the Manager to the Offer.
- 9.18. In accordance with Regulation 22(5A) of the Takeover Regulations, 1997, the Public Shareholders of the Target Company who have tendered their equity shares in this Open Offer, can withdraw the same up to three (3) working days prior to the date of closure of the Open Offer, i.e., up to October 28, 2020.
- 9.19. Public Shareholders who wish to withdraw their equity shares from the Open Offer will be required to send the Form of Withdrawal duly completed and signed along with the requisite documents to the Registrar to the Offer.
- 9.20. In case of non receipt of Form of Withdrawal, the withdrawal can be exercised by making an application on plain paper by stating Name, Address, Number of shares tendered and to be withdrawn, DP Name, DP Id, Beneficiary Account Number, Counterfoil/Photocopy of the delivery instruction in 'Off market' mode duly acknowledged by the DP in favour of the Special Depository Account, and send to the Registrar to the Offer.
- 9.21. The minimum marketable lot of the equity shares of the Target Company is 1.
- 9.22. **Withdrawal of the Offer: In terms of Regulation 22(5A) of the Takeover Regulations, 1997, the Public Shareholders desirous of withdrawing their acceptance tendered in the Offer can do so up to three (3) working days prior to Offer Closing Date. The withdrawal option can be exercised by submitting the Form of Withdrawal, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before three (3) working days prior to Offer Closing Date.**

9.22.1. **Public Shareholders should enclose the following:**

For shares held in Dematerialized Form:

- a) Duly signed and completed Form of Withdrawal
- b) Copy of the Form of Acceptance /plain paper application submitted and the acknowledgement slip in original.
- c) Photocopy of the delivery instruction slip in "Off-Market" mode or counterfoil of the delivery instruction slip in "Off-Market" mode, duly acknowledged by the DP.

For shares held in Physical Form:

(i) Registered Shareholders should enclose:

- a) Duly signed and completed Form of Withdrawal
- b) Copy of the Form of Acceptance /plain paper application submitted and the acknowledgement slip in original.
- c) In case of partial withdrawal, Valid Share Transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.

(ii) Unregistered owners should enclose:

- a) Duly signed and completed Form of Withdrawal.
- b) Copy of the Form of Acceptance /plain paper application submitted and the acknowledgement slip in original.
- c) For shares in Demat form, Beneficial Owners should enclose:
 - Duly signed and completed Form of Withdrawal
 - Copy of the Form of Acceptance /Plain Paper application submitted and the acknowledgement slip in original.
 - Photocopy of the delivery instruction slip in "Off-Market" mode or counterfoil of the delivery instruction slip in "Off-Market" mode, duly acknowledged by the DP.

- 9.22.2. The withdrawal of equity shares will be available only for the share certificates / equity shares that have been received by the Registrar to the Offer and/or credited to the Special Depository Account.

- 9.22.3. The intimation of returned equity shares to the shareholders will be sent at the address as per the records available with the Registrar to the Offer/ depositories, as the case may be.
- 9.22.4. The Form of Withdrawal along with enclosures should be sent ONLY to the Registrar to the Offer at any of the collection centers mentioned in para 9.4 of this Draft Letter of Offer.
- 9.22.5. In case of partial withdrawal of equity shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to Registered Shareholders / Beneficial Owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.
- 9.22.6. The Public Shareholders holding equity shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP Account.
- 9.22.7. In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:
- (i) In case of physical equity shares: Name, Address, Distinctive Nos., Certificate Nos., Folio No., No. of equity shares tendered and withdrawn.
 - (ii) In case of dematerialized equity shares: Name, Address, No. of equity shares tendered, DP name, DP ID, beneficiary account no. and a photocopy of delivery instructions slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account.
- 9.22.8. The Public Shareholders at the time of tendering must submit all requisite documents as mentioned in various sub-paras of para 9 and para 7.3.6 of the Draft Letter of Offer, as applicable, in order for the Registrar and the Manager to the Offer to identify the validity of the tender and the eligibility for Interest Component. Failure to submit such requisite documents may lead to the tender becoming invalid and/or may become ineligible for payment of Interest Component.

9.23. Compliance with tax requirements:

Mr. Piyush Kedia, (Membership no. 173806), Partner, M/s K C P L and Associates LLP, Chartered Accountants, having its registered office at 77, Ground Floor, Virwani Ind. Estate, off Western Express Highway, Goregaon (East), Mumbai – 400063, has *vide* his letter dated June 19, 2020 stated as follows:

9.23.1 **General**

- a) Securities transaction tax will not be applicable on the Equity Shares accepted in this Offer.
- b) 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 1961 (the IT Act). A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India on such person's India sourced income (i.e., income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally "situs" of the shares is where a company is "incorporated" and where its shares can be transferred. Accordingly, since the Target Company is incorporated in India, the Target Company's shares are deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- c) Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the IT Act.
- d) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- e) Based on the provisions of the IT Act, the shareholders would be required to file an annual income-

tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year.

- f) The summary of income-tax implications on tendering of Equity Shares is set out below.

9.23.2 Taxability of Capital Gain in the hands of the shareholders

- a) Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e. stock-in-trade).
- b) As per the current provisions of the IT Act, where the shares are held as investments (i.e., capital assets), income arising from the transfer of such shares is taxable under the head “capital gains”. Further, section 2(14) of the IT Act has provided for deemed characterization of securities held by FPIs as capital assets, whether or not such assets have been held as a capital asset; and therefore, the gains arising in the hands of FPIs will be taxable in India as capital gains. Capital Gains in the hands of shareholders would be computed as per provisions of Section 48 of the IT Act. Depending on the period for which the shares are held, the gains would be taxable as “short-term capital gains/STCG” or long-term capital gains/LTCG.
- c) The Finance Act, 2018 (“**Finance Act**”), vide Section 112A, has imposed an income tax on long-term capital gains @ 10% on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to securities transaction tax (“**STT**”) upon both acquisition and sale (subject to certain notified transactions, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable) (without any indexation and foreign exchange fluctuation benefits). Under this provision the capital gains tax would be calculated on gains exceeding INR 1lakh (Rupees one lakh only). It may also be noted that any capital gains arising up to January 31, 2018 are grandfathered under this provision.
- d) However, since STT will not be applicable to the Equity Shares transferred in this Offer, the provisions of section 112A of the IT Act shall not be applicable.
- e) Where LTCG arising from tendering of Equity Shares in the Offer does not fall under the provisions of Section 112A, such LTCG shall be subject to tax under the applicable provisions of Section 112 @ 20% and / or Section 115AD @ 10% of the IT Act.
- f) Further, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are transferred, will be considered as Short-Term capital Gain (“**STCG**”). In absence of STT, the beneficial tax rate of 15% under section 111A is not applicable on STCG. Accordingly, such gain subject to short term capital gains tax and will be leviable to tax at the rates prescribed in First Schedule to the Finance Act (i.e., normal tax rates applicable to different categories of persons).
- g) Further, the applicable surcharge and cess will be additionally applied on the capital gains tax as per the provisions of the IT Act.
- h) Taxability of capital gain arising to a non-resident in India from the transfer 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.

9.23.3 Taxability of business income in the hands of shareholders

- a) 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”.
- b) **Resident Shareholders:** Business profits would be taxable at applicable tax rates as prescribed in the First Schedule to the Finance Act.
- c) **Non-Resident Shareholders:** Non-resident shareholders can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

- d) **Where DTAA provisions are not applicable:** For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates. For foreign companies, profits would be taxed in India @ 40%. For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.
- e) In addition to the tax rates, applicable surcharge and cess is required to be paid on tax.

9.23.4 Withholding tax implications

A. General

- a) As per the provisions of Section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident or to a foreign company any sum chargeable to tax is required to deduct tax at source (including surcharge and cess as applicable) at the applicable rate as per the Income Tax Act. The consideration received by the non-resident Public Shareholders for the Equity Shares accepted in this Offer may be chargeable to tax in India as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. The Acquirers are required to deduct tax at source (including surcharge and cess as applicable) at the applicable rate as per the Income Tax Act on gross consideration as capital gains / business profits unless exempted under the provisions of the Income Tax Act or if any benefit under a DTAA is availed. Further, the Acquirers, subject to DTAA benefits, are required to deduct tax at source (including surcharge and cess as applicable) at the applicable rate as per the Income Tax Act on the payment of any interest, if any, (paid for delay in payment of the Offer Price) to a non-resident Public Shareholder.
- b) Upon furnishing the Tax Deduction Certificate (“**TDC**”) by any Public Shareholder, taxes would be deducted by the Acquirers in accordance with such certificate. In the absence of a TDC, the taxes would be deducted at the maximum applicable rate on the gross consideration as dealt with the below provided details as applicable as per the Income Tax Act applicable (i.e., 40% in case of foreign company, 30% in case of all other category of persons), for each category of the Public Shareholder(s) on gross consideration.
- c) Notwithstanding anything contained herein, where the Public Shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Income Tax Act, tax will be deducted at the rate of 30% or at the rate specified in the relevant provision of the Income Tax Act or at the rates in force, whichever is higher, from the gross consideration and interest payable to such Public Shareholder in accordance with Section 94A of the Income Tax Act.

Resident shareholders

- d) In absence of any specific provision under the IT Act, for capital gain or business profit on transfer of share in open offer the Acquirers are not required to deduct tax on the consideration payable to the resident shareholders pursuant to transfer of Equity Shares.
- e) Section 194A of the IT Act provides that payment of interest, if any, (for delay in payment of Offer consideration) by Acquirers to a resident shareholder may be chargeable to tax, as income from other sources under Section 56 of the IT Act. The Acquirers are required to deduct tax at source at the applicable rate as per the IT Act read with Finance Act on such interest.

Requirement to submit PAN and other details

- f) All Public Shareholders are required to submit their PAN along with self-attested copy of the PAN card for income-tax purposes. In absence of PAN for non-resident Public Shareholders, as per Notification No. 53/2016, F.No.370 142/16/2016-TPL, they shall furnish self-attested copy of documents containing the following details:
 - (i) Name, email ID, contact number;
 - (ii) Address in the country of residence;
 - (iii) Tax Residency Certificate (“**TRC**”) from the government of the country of residence, if the law of such country provides for issuance of such certificate; and
 - (iv) Tax identification number in the country of residence, and in case no such number is available, then a unique number on the basis of which such non-resident is identified by the government of the country of which he claims to be a resident.

If PAN or in case of non-resident Public Shareholders not having a PAN the aforesaid details, are not furnished, the Acquirers will arrange to deduct tax at least at the rate of 20% as per Section

206AA of the Income Tax Act or at such rate as applicable and as provided below for each category of the Public Shareholders, whichever is higher. The provisions of Section 206AA of the Income Tax Act would apply only where there is an obligation to deduct tax at source.

- g) Each Public Shareholder shall certify its tax residency status (i.e., whether resident or non-resident), nature of its holding (i.e., capital asset / business asset), its tax status (i.e., whether individual, firm, company, AOP/BOI, trust, any other taxable entity), and the entitlement of the non-resident Public Shareholder to invoke a favourable DTAA with India. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirers, it would be assumed that the Public Shareholder is a non-resident Public Shareholder and taxes shall be deducted treating the Public Shareholder as a non-resident and at the maximum marginal tax rate as may be applicable (i.e., 40% in case of foreign company, 30% in case of all other category of persons), under the Income Tax Act, on the entire consideration and interest, if any, payable to such Public Shareholder.
- h) The Acquirer will not accept any request from any Public Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower or NIL rate, on the basis of any self-computation / computation by any tax consultant, of capital gain and/or interest, if any, and tax payable thereon.

B. Resident Public Shareholders

For payment of Consideration

- a) In absence of any specific provision under the IT Act, the Acquirers are not required to deduct tax on the consideration payable to the shareholders pursuant to tendering of the Equity Shares under the Offer.

For payment of Interest

- a) For interest payments by the Acquirers for delay in payment of Offer Price, if any, the Acquirer will arrange to deduct the tax at the rate of 10% (as provided in Section 194A of the IT Act) or the rate specified under the Finance Act or a lower rate as specified by the tax Authorities.
- b) All resident shareholders shall submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirers will arrange to deduct tax at the rate of 20% (as provided in Section 206AA of the Income Tax Act).
- c) Notwithstanding anything contained in both clauses above, no deduction of tax shall be made at source by the Acquirers where the total amount of interest payable to a resident shareholder does not exceed INR 5,000 or a TDC from the income tax authorities indicating the amount of tax to be deducted by the Acquirers or, in the case of resident shareholder not being a company or firm, a self-declaration in Form 15G or Form 15H as may be applicable (as provided in the Income Tax Rules, 1962), has been furnished by a resident shareholder. The self-declaration in Form 15G and Form 15H will not be regarded as valid unless the resident shareholder has furnished its PAN in such declaration and the same should be submitted along with the Form of Acceptance-cum-Acknowledgement. Also, no tax is to be deducted on interest amount in the case of resident shareholder being an entity specified under Section 194A(3)(iii) of the IT Act if it submits a self-attested copy of the relevant registration, or notification along with the Form of Acceptance-cum-Acknowledgement.

C. Non-resident shareholders (other than FPIs)

For payment of Consideration

- a) While tendering shares under the Offer, all non-resident shareholders (other than FPIs) including NRIs/ foreign shareholders shall be required to submit a valid certificate for deduction of tax at a NIL/lower rate issued by the income tax authorities under the IT Act along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. The Acquirers will arrange to deduct taxes at source in accordance with such TDC only if it has been submitted along with the Form of Acceptance cum-Acknowledgement and the same is valid and effective as of the date on which tax is required to be deducted at source.
- b) In case the TDC is not submitted as aforesaid or is otherwise not valid and effective as of the date on which tax is required to be deducted at source, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e., 40% in case of foreign company, 30% in case of all other category of persons), on the gross consideration towards acquisition of shares, payable to such shareholder under

the Offer.

- c) The Acquirers will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Public Shareholder for deducting a lower amount of tax at source.
- d) In case of ambiguity, incomplete or conflicting information, the Acquirers will arrange to deduct tax at the applicable maximum marginal rate under the Income Tax Act (i.e., 40% in case of foreign company, 30% in case of all other category of persons) on the entire payment consideration excluding interest.

For payment of Interest

- e) For interest payments by the Acquirers for delay in payment of the Offer Price, if any, NRIs and other non-resident Shareholders (excluding FPIs) may submit a TDC from the income tax authorities under the Income Tax Act. The Acquirers will arrange to deduct taxes at source in accordance with such TDC.
- f) In case of ambiguity, incomplete or conflicting information, the Acquirers will arrange to deduct tax at the maximum marginal rate applicable to the category of the Shareholder under the Income Tax Act (i.e., 40% in case of foreign company, 30% in case of all other category of persons) on interest payable to such shareholders.

Notwithstanding anything contained herein, where the Public Shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Income Tax Act, tax will be deducted at the rate of 30% or at the rate specified in the relevant provision of the Income Tax Act or at the rates in force, whichever is higher, from the gross consideration and interest payable to such Public Shareholder in accordance with Section 94A of the Income Tax Act.

D. Non-resident shareholders being FPIs

For payment of Consideration

- a) As per the provisions of Section 196D(2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FPI, as defined in Section 115AD of the Income Tax Act. Further, for the purposes of Section 115AD, FPI will include FPIs as defined under SEBI (Foreign Portfolio Investors) Regulations, 2019. The Acquirer would not deduct tax at source on the payments to FPIs, subject to the following conditions:
 - (i) FPIs furnishing the copy of the registration certificate issued by SEBI (including for sub-account of FPI, if any);
 - (ii) FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations. Such FPIs will be liable to pay tax on their income as per the provisions of the Income Tax Act.
- b) If the above conditions are not satisfied, FPIs may submit a valid and effective TDC issued by the income tax authorities, along with the Form of Acceptance-cum- Acknowledgement, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. The Acquirers shall deduct tax in accordance with such TDC.
- c) If none of the above conditions/ requirements as mentioned in (i) and (ii) are satisfied, the Acquirers shall deduct tax at the maximum tax rate applicable under the Income Tax Act (i.e., 40% in case of foreign company, 30% in case of other category of persons) on the gross consideration payable to the Public Shareholder, depending on category of the Public Shareholder.

For payment of Interest

- a) For interest payments by the Acquirers for delay in payment of the Offer Price, if any, FPIs may submit a TDC from the income tax authorities under the Income Tax Act. The Acquirer will arrange to deduct taxes at source in accordance with such TDC.

- b) In case of ambiguity, incomplete or conflicting information, the Acquirers will arrange to deduct tax at the maximum marginal rate, as may be applicable to the relevant category to which the shareholder (i.e., 40% in case of foreign company, 30% in case of all other category of persons) belongs under the Income Tax Act on the interest payable to such shareholder.

Notwithstanding anything contained herein, where the Public Shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Income Tax Act, tax will be deducted at the rate of 30% or at the rate specified in the relevant provision of the Income Tax Act or at the rates in force, whichever is higher, from the gross consideration and interest payable to such Public Shareholder in accordance with Section 94A of the Income Tax Act.

E. Tax deduction certificate

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

F. Tax Implications in foreign jurisdictions

Apart from the above, the Acquirers are entitled to withhold tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Shareholder is a resident for tax purposes. For this purpose, the non-resident Shareholder shall furnish along with Form of Acceptance-cum-Acknowledgement, a self-declaration stating the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident and the Acquirers will be entitled to rely on this representation at their sole discretion.

G. Other points for consideration

- a) Shareholders who wish to tender their Equity Shares must submit the information / documents, as applicable, all at once along with the Form of Acceptance-cum-Acknowledgement and those that may be additionally requested for by the Acquirers. The documents submitted by the shareholders along with the Form of Acceptance-cum-Acknowledgement will be considered as final. Any further / delayed submission of additional documents, unless specifically requested by the Acquirers, may not be accepted.
- b) Based on the documents and information submitted by the shareholder, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirers.
- c) Taxes once deducted will not be refunded by the Acquirers under any circumstances.
- d) The Acquirers shall deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the shareholders, such shareholders will be responsible to pay such income tax demand (including interest, penalty, etc.) and provide the Acquirers with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.
- e) The tax deducted by the Acquirers while making the payment to a shareholder under this Offer may not be the final liability of such shareholders and shall in no way discharge the obligation of the shareholders to appropriately disclose the amount received by it, pursuant to this Offer, before the income tax authorities. The rate at which tax is required to be deducted is based on the tax laws prevailing as on the date of the Letter of Offer. If there is any change in the tax laws with regards to withholding tax rates as on the date of deduction of tax, the tax will be deducted at the rates applicable at the time of deduction of tax.
- f) All shareholders are advised to consult their tax advisors for 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 Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

9.23.5 Rate of Surcharge and Cess:

As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge, health and education cess are leviable (except for TDS on payment to residents, where tax is required to be deducted at basic rates as applicable).

9.23.6 The tax rate and other provisions may undergo changes.

9.23.7 Others

- a) The tax deducted by the Acquirers while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income tax authorities.
- b) The Acquirers and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.
- c) Public Shareholders who wish to tender their Equity Shares must submit the following information along with the Form:
 - (i) Information requirement from non-resident Public Shareholder:
 - a. Self-attested copy of PAN card; or
 - o Name, email id, contact number of the non-resident Public Shareholder
 - o Address in the country or specified territory outside India of which the non-resident Public Shareholder is a resident
 - o A certificate of his/her being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate
 - o Tax Identification Number of the non-resident Public Shareholder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the non-resident Public Shareholder is identified by the Government of that country or the specified territory of which he claims to be a resident
 - b. NOC/ TDC / Certificate from the income-tax authorities for no/lower deduction of tax, if any;
 - c. Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
 - d. SEBI registration certificate for FPI, wherever applicable;
 - e. Declaration from FPIs that they have invested in the Equity Shares in accordance with the applicable SEBI regulations; and
 - f. RBI and other approval(s) obtained for acquiring the Equity Shares, if applicable.
 - (ii) Information requirement in case of resident Public Shareholder:
 - o Self-attested copy of PAN card;
 - o Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
 - o Self-attested declaration in respect of nature of holding the Equity Shares (e.g. as capital asset or as business asset)
 - o If applicable, self-declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment, if any;
 - o NOC / TDC / Certificate from the income tax authorities (applicable only for the interest payment, if any) for no/lower deduction of tax; and

- For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act - Copy of relevant registration or notification (applicable only for the interest payment, if any).

THE ABOVE DISCLOSURE 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 THE SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRERS DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.

10. DOCUMENTS FOR INSPECTION

In light of the SEBI Circulars - SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 and SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020, providing relaxations relating to procedural matters – Takeovers and Buy-back, in view of the impact of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, the following documents will be made available for inspection electronically, from the date of commencement of the Tendering Period (October 15, 2020) until the date of closure of the Tendering Period (November 3, 2020). The Public Shareholders interested in electronically inspecting the documents, can send an email, from their registered email IDs (stating the names of the documents identified for inspection; shareholding details like the name of the shareholder(s); number of equity shares held by them; demat account number / folio number; in case of a corporate body additionally provide a copy of the authority letter authorizing the concerned official for inspecting the identified documents), with the subject line “Documents for Inspection – Parsoli Corporation Open Offer”, to the Manager to the Offer on pcloseoffer@plindia.com, and upon receipt and processing of the received request, access can be provided to the respective Public Shareholder, for electronic inspection of documents.

- 10.1. Copies of the Memorandum and Articles of Association and latest certificate of incorporation of the Target Company.
- 10.2. Copies of the Commercial registration certificate and Memorandum and Articles of Association of GIS.
- 10.3. Copies of the Commercial Register excerpt of the Local Court of Munich and Articles of Association of Baader Bank.
- 10.4. Certificate dated June 19, 2020 issued by Mr. Rakesh Agarwal, (Membership no. 170685) Partner M/s K C P L and Associates LLP, Chartered Accountants, having its registered office at 77, Ground Floor, Virwani Ind. Estate, off Western Express Highway, Goregaon (East), Mumbai – 400063, certifying the adequacy of resources with GIS to fulfill its Open Offer financial obligations.
- 10.5. Certificate dated June 19, 2020 issued by Mr. Rakesh Agarwal, (Membership no. 170685) Partner M/s K C P L and Associates LLP, Chartered Accountants, having its registered office at 77, Ground Floor, Virwani Ind. Estate, off Western Express Highway, Goregaon (East), Mumbai – 400063, certifying the adequacy of resources with Baader Bank to fulfill its Open Offer financial obligations.
- 10.6. Certificate dated June 19, 2020 issued by Mr. Piyush Kedia, (Membership no. 173806) Partner M/s K C P L and Associates LLP, Chartered Accountants, having its registered office at 77, Ground Floor, Virwani Ind. Estate, off Western Express Highway, Goregaon (East), Mumbai – 400063, certifying the contents of the section on ‘Compliance with Tax Requirements’.
- 10.7. Copy of the annual report of the Target Company for the financial years ending on March 31, 2018 and March 31, 2019 as provided by the Target Company and the audited financial results as approved by the board of directors of the Target Company and as disclosed on BSE for the year ended March 31, 2020.
- 10.8. Copies of the audit reports of GIS for the last three financial years, i.e., FY2019, FY2018 and FY2017 and copy of the review report on the interim financial information for the three months period ended March 31, 2020, in accordance with the International Standards on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.
- 10.9. Copies of the annual reports of Baader Bank for the last three financial years, i.e., FY2019, FY2018 and FY2017 and the limited review financials for the six months period ended June 30, 2020, as certified by the independent auditor of Baader Bank.
- 10.10. Copy of Inter-se agreement dated June 19, 2020 entered into between the Acquirers for the purpose of this Joint Open Offer.
- 10.11. Copy of Escrow Agreement dated August 10, 2020 and Certificate dated August 25, 2020 from Kotak Mahindra Bank Limited confirming the amount that has been kept by the Acquirers in cash in the Escrow Account.
- 10.12. Copy of the Registrar Agreement dated August 24, 2020
- 10.13. Copy of PA published in Financial Express on August 28, 2020.

- 10.14. Copy of SEBI Order dated March 2, 2016.
- 10.15. Copy of the application dated September 1, 2020 made by the Acquirers to RBI for obtaining prior approval for the Open Offer in accordance with Master Direction No. DNBR.PD.007/03.10.119/2016-17 dated September 1, 2016 and as amended from time to time.
- 10.16. Copy of the confirmation letter for the Special Depository Account opened with National Securities Depository Limited through Ventura Securities Limited for the purpose of the Offer.
- 10.17. Copy of SEBI's email approval dated June 16, 2020 for making a joint open offer by the Acquirers addressed to the Manager to the Offer for complying with the SEBI Order in an efficient and timely manner.
- 10.18. Copy of SEBI comments letter no. [●] dated [●].

11. DECLARATION BY THE ACQUIRERS

- 11.1. In terms of Regulation 22(6) of the Takeover Regulations, 1997, the respective Board of Directors of the respective Acquirer accept full responsibility for the information contained in the Draft Letter of Offer (to the extent such information relates to such respective Acquirer and except for the information regarding the Target Company which has been sourced from the Target Company and from publicly available information), Form of Acceptance and Form of Withdrawal and also for the respective obligations of the Acquirers, as laid down in terms of an in compliance with the Takeover Regulations, 1997.
- 11.2. The respective Board of Directors of the respective Acquirers are severally and jointly responsible for ensuring compliance with the Takeover Regulations, 1997. All information contained in the Draft Letter of Offer is as on date of the Draft Letter of Offer or the Public Announcement, as applicable, unless stated otherwise.
- 11.3. The Manager to the Offer hereby states that the person signing the Draft Letter of Offer, i.e., Mr. Sridhar Ganesan, Deputy Chairman of GIS and Mr. Nico Baader, Chairman of Baader Bank are duly and legally authorized to sign the Draft Letter of Offer.

For and on behalf of GULF INVESTMENT SERVICES HOLDING COMPANY (S.A.O.G.)

Sd/-

Authorised Signatory

Name: Sridhar Ganesan

Designation: Deputy Chairman

For and on behalf of BAADER BANK AKTIENGESELLSCHAFT

Sd/-

Authorised Signatory

Name: Nico Baader

Designation: Chairman

Place: Mumbai

Date: September 2, 2020

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

*(Please send this Form with enclosures to Registrar to the Offer, **Link Intime India Private Limited**, at any of the collection centers as mentioned in the Letter of Offer)*

Name:
Address:

Tendering Period of the Offer	
Offer opens on	Thursday, October 15, 2020
Offer closes on	Tuesday, November 3, 2020

PAN:
DP ID:
Client ID:
Tel:
E-mail:
No. of shares held:

For Registrar / Collection Centre Use			
Centre Code	Inward No.	Date	Stamp

To,

The Acquirers

C/o Link Intime India Private Limited

Registered office address: C- 101, 1st floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083

Tel: +91 22-4918 6200

Fax: +91 22 4918 6195

Email: parsoli.openoffer@linkintime.co.in

Dear Sir / Madam,

OPEN OFFER FOR ACQUISITION OF UPTO 45,96,785 EQUITY SHARES OF FACE VALUE RS. 10 EACH, REPRESENTING 16.40% OF THE TOTAL OUTSTANDING, ISSUED AND FULLY PAID UP EQUITY SHARE CAPITAL ON A FULLY DILUTED BASIS CARRYING VOTING RIGHTS OF PARSOLI CORPORATION LIMITED (“TARGET COMPANY”) TO THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY BY BAADER BANK AKTIENGESSELLSCHAFT AND GULF INVESTMENT SERVICES HOLDING COMPANY(S.A.O.G)(“ACQUIRERS”).

I / We refer to the Letter of Offer dated [●], 2020, for acquiring the equity shares held by me / us in Parsoli Corporation Limited. Capitalised terms not defined here shall have the meanings ascribed to them in the Letter of Offer.

I / We, the undersigned, have read the Public Announcement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

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 are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter and that I / We have obtained all necessary consents to sell the equity shares on the foregoing basis.

I / We also note and understand that the obligation on the Acquirers to pay the purchase consideration arises only after verification of the documents and signatures submitted along with this Form of Acceptance-cum-Acknowledgment by the Public Shareholders.

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 Open Offer and that I/we am/are legally entitled to tender the equity shares for the Open Offer.

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

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

I / We are not debarred from dealing in equity shares.

I / We confirm that in case the Acquirers are of the view that the information / documents provided by the Public Shareholder(s) is inaccurate or incomplete or insufficient, then the tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the Public Shareholder(s).

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

I / We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I / We also note and understand that the Acquirers will pay the Interest Component (if applicable to me/us) only after due verification of the shares held by me in terms of the Letter of Offer and based on the shareholding records available with CDSL/ NSDL.

I / We authorise the Acquirers 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.

I / We authorize the Acquirers or the Registrar to the Offer to send by speed post / registered post / or through electronic mode, as may be applicable, at my / our risk, the bankers' cheque/ demand draft or to make transfer by direct credit/ NEFT/ RTGS as consideration, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence documents to the sole / first holder at the address mentioned above. I/We authorize the Acquirers, the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of making payment consideration and also mailing the aforementioned instruments.

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE DULY SIGNED FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT ALONGWITH THE ACKNOWLEDGED COPY OF DELIVERY INSTRUCTION SLIP IN “OFF MARKET” MODE FROM YOUR DP / SHARE CERTIFICATES ALONGWITH TRANSFER DEEDS (AS APPLICABLE) SHOULD BE DISPATCHED BY REGISTERED POST/COURIER OR HAND DELIVERED TO THE REGISTRAR TO THE OFFER SO AS TO REACH ON OR BEFORE CLOSURE OF THE TENDERING PERIOD (I.E., BEFORE 5:00 P.M. ON TUESDAY, NOVEMBER 3, 2020).

For Public Shareholders holding equity shares in demat form

I/We, am/are holding shares in dematerialized form, accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary Owner	No. of equity shares

I/We have executed an off-market transaction for crediting the shares to the Special Depository Account as per the details below: (Please tick (√) whichever is applicable)

- via a delivery instruction from my/our account with NSDL
- via an inter-depository delivery instruction from my/our account with CDSL

DP Name:	Ventura Securities Limited	<i>Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL</i>
DP ID	IN303116	
Client ID	13099052	
Account Name	ESCROW DEMAT ACCOUNT LIPL PARSOLI CORPORATION OPEN OFFER	
Depository	NSDL	
ISIN	INE905D01016	

I/We note and understand that the equity shares will be held in the credit of the Special Depository Account by the Registrar to the Offer on behalf of the Public Shareholders who have accepted this Offer, till the completion of formalities relating to this Offer. I/We also note and understand that the consideration will be paid only to those Public Shareholders whose equity shares are validly accepted in this Offer, in accordance with the terms of the Letter of Offer.

I / We, have enclosed the following documents:
(Please tick (√) whichever is applicable)

- Self-attested copy of PAN card.
- Photocopy or counterfoil of the delivery instructions in "off market" mode duly acknowledged by the shareholders' DP, in favour of the Special Depository Account.
- No objection certificate / Tax clearance certificate from income tax authorities for deduction of tax at lower rate, wherever applicable.
- Duly attested power of attorney if any person apart from the Public Shareholder has signed the application form.
- Corporate authorization in case of companies, along with board resolution and specimen signatures of authorised signatories.
- Duly attested copy of the death certificate / succession certificate/ probate / letter of administration (in case of a single shareholder), if the original Public Shareholder is deceased.
- Any other relevant document (please specify) _____.

Additional Enclosures required in order to determine Original Shareholders who are entitled to receive Interest Component. (Please tick (√) whichever is applicable)

- Transaction/ holding statement obtained from depository participant (DP) since the date of dematerialization / purchase till the date of submission of the Form of Acceptance cum Acknowledgement.

- Submission of documentary evidence if names have been changed at any time from the Trigger Date till the date of submission of the Form of Acceptance cum Acknowledgement.
- Submission of documentary evidence in support of such transmission due to death of the sole / any of the joint holders, or through operation of law.
- Submission of documentary evidence in case of transposition of names i.e., changed the order in which their names are recorded maintained by the depository.
- Details of folios in which equity shares were held in physical form on the Trigger Date but which has been dematerialized subsequently.
- Any others relevant document (please specify) _____

For Public Shareholders holding equity shares in physical form

I / We, am/are holding 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 shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive No(s).		No. of Equity Shares
			From	To	
Total No. of Equity Shares:					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

I/We note and understand that the original share certificate(s), valid share transfer deed(s) and the Form of Acceptance will be held in trust by the Registrar to the Offer, on behalf of the shareholders who have accepted this Offer, till the completion of formalities relating to this Offer. I/We also note and understand that the consideration will be paid only to those shareholders whose equity shares are validly accepted in this Offer, in accordance with the terms of the Letter of Offer. In case of equity shares tendered in physical form, where the original share certificates are required to be split, all the documents will be returned only upon receipt of share certificates from the Target Company.

Documents enclosed with this Form of Acceptance are stated as below: (Please tick (√) whichever is applicable)

- Duly attested power of attorney, if any person apart from the Shareholder, has signed the Form of Acceptance cum Acknowledgement or Share transfer deed(s)
- Original share certificates
- Valid share transfer deed(s)
- Corporate authorization, in case of body corporate along with certified board resolution and specimen signatures of authorized signatories
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single shareholder), in case the original shareholder has expired;
- Self attested copy of PAN card of all the transferor(s)
- Any other relevant document (please specify) _____.

Additional Enclosures required in order to determine Original Shareholders who are entitled to receive Interest Component. (Please tick (√) whichever is applicable)

- Submission of documentary evidence if names have been changed at any time between the Trigger Date till the date of submission of the Form of Acceptance.
- Submission of documentary evidence in support of such transmission due to death of the sole / any of the joint holders, or through operation of law.
- Submission of documentary evidence in case of transposition of names i.e. changed the order in which their names are recorded maintained by the depository.
- Any other relevant document (please specify) _____.

For All Public Shareholders

I/ We, confirm that our residential status for the purpose of tax is:

- Resident
- Non- Resident, if yes please state country of tax residency:

I/We, confirm that our status is:

<input type="checkbox"/> Individual	<input type="checkbox"/> Domestic Company	<input type="checkbox"/> FII/FPI – Others	<input type="checkbox"/> QFI	<input type="checkbox"/> FVCI
<input type="checkbox"/> Partnership / Pension/Provident Fund Foreign Trust NRI/PIOs Repatriable Proprietorship Firm	<input type="checkbox"/> Pension/Provident Fund	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> NRI/PIOs Repatriable	<input type="checkbox"/> NRI/PIOs Non-Repatriable
<input type="checkbox"/> Insurance Company	<input type="checkbox"/> OCB	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Banks	<input type="checkbox"/> Association of Person/Body of Individual
<input type="checkbox"/> Any Other Please specify				

Additional confirmations and enclosures from resident Public Shareholders

I/ We, have enclosed the following documents:

- Self-declaration form in Form 15G / Form 15H, if applicable, to be obtained in duplicate copy (applicable only for Interest Component payment, if any)
- Self-attested copy of PAN card
- Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify)
- No objection certificate / tax clearance certificate from income tax authorities for deduction of tax at lower rate (applicable only for interest payment, if any)
- For mutual funds / banks / notified Institutions under Section 194A(3)(iii) of the Income Tax Act, 1961, copy of relevant registration or notification (applicable only for Interest Component payment, if any).
- Other documents and information as mentioned under para 9.23 – ‘Compliance with tax requirements’ in the Letter of Offer

Additional confirmations and enclosures for FII/ FPI Public Shareholders

I / We, confirm that the equity shares of the Target Company are held by me / us on (select whichever is applicable):

- Investment / capital account and income arising from sale of shares is in the nature of capital gain
- Trade account and the income arising from sale of shares is in the nature of business income
- Any other (please specify) _____

(Note: In case the equity shares are held on a trade account, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, 1961, specifying the rate at which tax shall be deducted. In the absence of such a certificate tax will be deducted at the maximum marginal rate, applicable to the category to which such FII / FPI belongs, on the entire consideration payable).

Declaration for treaty benefits (please ✓ the box if applicable):

- I / We confirm that I / we am / are tax resident/s of _____ having tax identification number / Unique number provided by the Government as _____ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am / we are tax resident/s.

(Note: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable to the category to which such FII / FPI belongs).

In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residence certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence, along with Form 10F as prescribed in terms of Section 90(5) of the Income Tax Act, 1961. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted, failing which, tax will be deducted at the maximum marginal rate.

I / We, have enclosed self-attested copies of the following documents:

- SEBI Registration Certificate for FIIs / FPI Self-attested copy of PAN card.
- RBI approval for acquiring equity shares of Parsoli Corporation Limited tendered herein, if applicable.
- Self-declaration for no permanent establishment in India or no business connection in India.
- Tax residency certificate from government of the country or specified territory of which you are tax resident.
- No objection certificate / tax clearance certificate from income tax authorities, for deduction of tax at a lower rate / NIL rate on income from sale of shares and interest income, if any, wherever applicable.
- Form 10F as prescribed in terms of Section 90(5) of the Income Tax Act, 1961 (also refer to para 9.19 – ‘Compliance with tax requirements’ of the Letter of Offer)
- Other documents and information as mentioned in para 9.23 - ‘Compliance with tax requirements’.
- FII / FPI Certificate (self-attested declaration certifying the nature of income arising from the sale of equity shares, whether capital gains)

Additional confirmations and enclosures for other Non-resident Public Shareholders (except FIIs / FPI)

I / We, confirm that the equity shares tendered by me / us are held on (select whichever is applicable):

- Repatriable basis Non-Repatriable basis

I / We, confirm that the tax deduction on account of equity shares of Target Company held by me / us is to be deducted on

- Long-term capital gains (equity shares are held by me / us for more than 12 (twelve) months).
- Short-term capital gains (equity shares are held by me / us for 12 (twelve) months or less).
- Trade Account.
- Any other (please specify).

(Note: For determination of the nature and period of holding, kindly enclose a proof for date of purchase such as demat account statement or brokers note. In case the equity shares are held on trade account, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, 1961, specifying the rate at which tax shall be deducted. In the absence of such a certificate tax will be deducted at the applicable tax rate, applicable to the category to which such non-resident shareholders other than FII/FPI belongs, on the entire consideration payable)

Declaration for treaty benefits (please if applicable):

- I / We confirm that I / we is / are tax resident/s of _____ having tax identification number / unique number provided by the government as _____ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am / we are tax resident/s.

(Note: If this box is not ticked, tax will be deducted without considering treaty benefits at the maximum marginal rate applicable to the category to which such Public Shareholder belongs.)

In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residence certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence, along with such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act, 1961. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the applicable tax rate.

I / We, have enclosed the following documents (select whichever is applicable):

- Self-declaration for no permanent establishment in India or no business connection in India.
- Self-attested copy of PAN card.
- Tax residency certificate from government of the country or specified territory of which you are tax resident.
- No objection certificate / tax clearance certificate from income tax authorities, for deduction of tax at a lower rate / NIL rate on income from sale of shares and interest income, if any, wherever applicable.
- Copy of RBI / DIPP approval, if any, for acquiring equity shares of Target Company hereby tendered in the Offer and RBI approval evidencing the nature of shareholding, i.e., repatriable or non-repatriable basis, if applicable.
- Proof for period of holding of equity shares such as demat account statement or broker's note.
- Such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act, 1961 (also refer para 9.23 – 'Compliance with tax requirements' in the Letter of Offer).
- Other documents and information as mentioned under para 9.23 – 'Compliance with tax requirements' in the Letter of Offer.
- Copy of RBI approval for OCBs tendering their equity shares in the Offer. Also mention the source of funds for initial acquisition of equity shares and the nature of the holding of equity shares (repatriable / non-repatriable basis).

- Copy of RBI approval (For NRI Public Shareholders tendering their equity shares in the Offer held on a non-repatriable basis), if any, permitting consideration to be credited to an NRE bank account.

Bank Details (To be mandatorily filled)

So as to avoid any fraudulent activity, shareholder(s) should provide details of bank account of the first/sole shareholder and the consideration will be paid by way of a cheque/demand draft/electronic mode:

Name of the Bank:	
Address:	
Branch and City:	
Account Number:	
Type of Account (Example: Savings, Current etc.):	
MICR Code:	
IFSC Code (For RTGS/ NEFT/ Direct Credit):	

If payment is through RTGS / NEFT / NECS, please also enclose a photo-copy of a cheque drawn on the account in which payments will be made.

For the Equity Shares tendered in demat form, the bank account details of the Public Shareholders will be obtained from the Depositories for the payment of consideration, and not the details provided herein.

Yours faithfully,

Signed and delivered

	Full Name(s) and address of the holders	PAN	Signature
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed and necessary board resolutions (if applicable) should be attached.

Place: _____

Date: _____

-----Tear along this line -----

Acknowledgement Slip (To be filled in by the Public Shareholder)
Parsoli Corporation Limited - Open Offer

Sr. No. _____

Received from Mr. / Ms. /M/s.

Address:

Kindly confirm if the above is the same as the address in the country of residence:

Yes No

If no, please provide the address in the country of residence:

Physical shares: Folio No. _____ / Demat shares: DP ID _____:
Client ID _____

Form of Acceptance-cum-Acknowledgement along with (Please put tick mark in the box whichever is applicable):

Physical shares:

- Number of equity shares _____
- Number of share certificates enclosed _____
- Other documents, please specify _____

Demat shares:

- Copy of the Delivery Instruction in "OffMarket" Mode for _____ number of equity shares
- Other documents, please specify _____

Date of Receipt _____ Signature of Official _____

Stamp of Collection Centre of the Registrar to the Offer

The Form of Acceptance cum Acknowledgement and other related documents should be submitted at any of the collection centers mentioned below and in accordance with the instructions specified in the Letter of Offer.

Sr. No.	Collection Centers	Address of Collection Centers	Contact person	Email ID	Phone no.	Mode of delivery
1	Mumbai	Link Intime India Pvt Limited, C- 101, 247 park, 1st floor, L.B.S. Marg, Vikhroli west, Mumbai – 400083	Sumeet Deshpande	parsoli.openoffer@linkintime.co.in	022-49186200	Hand Delivery / Courier / Registered Post
2	New Delhi	Link Intime India Pvt Limited, Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi -110058	Swapan /Bharat	parsoli.openoffer@linkintime.co.in	011-1410592/93/94	Hand Delivery
3	Ahmedabad	Link Intime India Pvt Limited, 5th Floor, 506-508, Amarnath Business centre -1 (ABC -1) Beside Gala Business Centre, Near ST. Xavier's College Corner, Off C G Road, Ellis bridge, Ahmedabad - 380006	Chandrasekher	parsoli.openoffer@linkintime.co.in	079-26465179	Hand Delivery

Note: For hand delivery, the collection centres timings will be all working days, anytime from Monday to Friday, between 10am to 1pm and 2pm to 5pm, except Saturdays, Sundays and public holidays.

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

Link Intime India Private Limited

C- 101, 1st floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083

Tel: +91 22-4918 6200

Fax: +91 22 4918 6195

E-mail: paroli.openoffer@linkintime.co.in

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

*(Please send this Form with enclosures to Registrar to the Offer, **Link Intime India Private Limited**, at any of the collection centers as mentioned in the Letter of Offer)*

Name:
Address:

PAN:
DP ID:
Client ID:

Tel:
E-mail:

No. of shares held:

Tendering Period of the Offer	
Offer opens on	Thursday, October 15, 2020
Last date of withdrawal	Wednesday, October 28, 2020
Offer closes on	Tuesday, November 3, 2020

For Registrar / Collection Centre Use			
Centre Code	Inward No.	Date	Stamp

To, The Acquirers C/o Link Intime India Private Limited Registered office address: C- 101, 1st floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083 Tel: +91 22-4918 6200 Fax: +91 22 4918 6195 Email: parsoli.openoffer@linkintime.co.in	Status of the Public Shareholder (Please tick whichever is applicable)			
	<input type="checkbox"/> Individual	<input type="checkbox"/> Company	<input type="checkbox"/> FII / FPI - Corporate	<input type="checkbox"/> FII / FPI - Others
	<input type="checkbox"/> QFI	<input type="checkbox"/> FVCI	<input type="checkbox"/> Partnership / Proprietorship firm / LLP	<input type="checkbox"/> Private Equity Fund
	<input type="checkbox"/> Pension / Provident Fund	<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Financial Institution
	<input type="checkbox"/> NRIs / PIOs - repatriable	<input type="checkbox"/> NRIs / PIOs - non-repatriable	<input type="checkbox"/> Insurance Company	<input type="checkbox"/> OCB
	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Banks	<input type="checkbox"/> Association of person /Body of individual	<input type="checkbox"/> Any others, please specify:

Dear Sir / Madam,

OPEN OFFER FOR ACQUISITION OF UPTO 45,96,785 EQUITY SHARES OF FACE VALUE RS. 10 EACH REPRESENTING 16.40% OF THE TOTAL OUTSTANDING, ISSUED AND FULLY PAID UP EQUITY SHARE CAPITAL ON A FULLY DILUTED BASIS CARRYING VOTING RIGHTS OF PARSOLI CORPORATION LIMITED (“TARGET COMPANY”) TO THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY BY BAADER BANK AKTIENGESELLSCHAFT AND GULF INVESTMENT SERVICES HOLDING COMPANY (S.A.O.G) (“ACQUIRERS”).

I/We refer to the Letter of Offer dated [●], 2020 for acquiring the equity shares held by me/us in the Target Company.

I/We, the undersigned, have read the Public Announcement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/we further authorise the Acquirers to return/transfer to me/us, the tendered equity share(s) and other documents at my/our sole risk.

I/We note that upon withdrawal of my/our equity shares from the Offer, no claim or liability shall lie against the Acquirers/ Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer or mentioned overleaf as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. Wednesday, October 28, 2020.

I/We note that the Acquirers/ Manager to the Offer/ Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form and also for the non-receipt of the equity shares held in the dematerialized form in the DP account due to inaccurate/ incomplete particulars/ instructions.

I/We also note and understand that the Acquirers will return the equity shares and other documents only on completion of verification of the documents, signatures and beneficiary position as available from the Depositories from time to time.

For Public Shareholders holding equity shares in demat form:

I/We hold the following equity shares in dematerialized form and had done an off-market transaction for crediting the equity shares to the Special Depository Account with Ventura Securities Limited as the DP in NSDL styled 'ESCROW DEMAT ACCOUNT LIPL PARSOLI CORPORATION OPEN OFFER' as per the following particulars:

DP Name: Ventura Securities Limited	DP ID: IN303116	Client ID: 13099052
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Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our equity shares have been tendered are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of equity shares

I/we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

I/We authorise the Acquirers or the Registrar to the Offer to credit the equity shares in demat form to my/our DP account after due verifications.

For Public Shareholders holding equity shares in physical form:

I/We hold the following equity shares in physical form. The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive No(s).		No. of Equity Shares
			From	To	
Total No. of equity shares (in case of insufficient space, please attach a separate sheet):					

I/We note and understand the terms of withdrawal of acceptance and request you to return the equity shares and other documents and authorize you not to remit the consideration for the withdrawn shares, as mentioned in the Letter of Offer.

I/We authorise the Acquirers to reject the equity shares so offered by me/us which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer.

I/We authorise the Acquirers or the Registrar to the Offer to send by registered/ speed post the documents tendered by me/us to the sole/first holder at the address mentioned above.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed and delivered

	Full Name(s) and address of the holders	PAN	Signature
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed and necessary board resolutions (if applicable) should be attached.

Place: _____

Date: _____

-----Tear along this line -----

Acknowledgement Slip (To be filled in by the Public Shareholder)
Parsoli Corporation Limited - Open Offer

Sr. No. _____

Received from Mr. / Ms. /M/s.

Address:

Kindly confirm if the above is the same as the address in the country of residence:

Yes No

If no, please provide the address in the country of residence:

Physical Shares: Folio No. _____ / Demat shares: _____ : Client ID _____

Form of Withdrawal along with (Please put tick mark in the box whichever is applicable):

Physical shares:

- Number of equity shares _____
- Number of share certificates enclosed _____
- Other documents, please specify _____

Demat shares:

- Copy of the Delivery Instruction in "OffMarket" Mode for _____ number of equity shares
- Other documents, please specify _____

Date of Receipt _____ Signature of Official _____

Stamp of Collection Centre of the Registrar to the Offer

-----Tear along this line -----

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

Link Intime India Private Limited

C- 101, 1st floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083

Tel: +91 22-4918 6200

Fax: +91 22 4918 6195

E-mail: parsoli.openoffer@linkintime.co.in

Note: You have an OPTION TO WITHDRAW the acceptance tendered in response to the Offer any time upto three (3) working days prior to the Offer Closing Date. In case you wish to withdraw your acceptance, please use this form.

FORM OF SHARE TRANSFER DEED**Form No. SH-4 - Securities Transfer Form**

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution: /_____/2020

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN:

L	6	5	9	9	0	M	H	1	9	9	0	P	L	C	0	5	9	0	7	4
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Name of the company (in full): **PARSOLI CORPORATION LIMITED**

Name of the Stock Exchange where the company is listed, (if any): **BSE Limited**

DESCRIPTION OF SECURITIES:

Kind/ Class of securities (1)		Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares		₹10.00	₹10.00	₹10.00
No. of Securities being Transferred			Consideration received (Rs.)	
In figures	In words		In words	In figures
Distinctive Number	Form			
	To			
Corresponding Certificate Nos.				

Transferors' Particulars

Registered Folio Number: _____

Name(s) in full

Signature(s)

1. _____

2. _____

3. _____

I, hereby confirm that the transferor has signed before me. Signature of the

Witness: _____

Name of the Witness: _____

Address of the Witness: _____

Pincode: _____

Transferees' Particulars

Name in full (1)	Father's/ Mother's / Spouse Name (2)	Address & E-mail id (3)
Occupation (4)	Existing Folio No., if any (5)	Signature (6)

Folio No. of Transferee

Value of Stamp affixed: Rs. _____

Specimen Signature of Transferee(s)

1. _____

2. _____

3. _____

Enclosures:

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, _____

STAMPS _____

For Office Use Only

Checked by _____

Signature Tallied by _____

Entered in the Register of Transfer on _____ vide
Transfer no _____

Approval Date _____

Power of attomey/Probate/Death certificate/Letter of
Administration

Registered on _____ at No
