

**DRAFT LETTER OF OFFER***'This document is important and requires your immediate attention'*

This Draft Letter of Offer ('DLoF') is being sent to you as the Public Shareholder (as defined below) of Parsharti Investment Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager (as defined below) or the Registrar (as defined below). In case you have recently sold your Equity Shares (as defined below), please hand over this DLoF and the accompanying form of acceptance-cum-acknowledgement to the member of the stock exchange through whom the said sale was affected.

**OPEN OFFER BY**

Name	Acquirers	Residential Address	Contact Details	Email Address
Patel Ghanshyambhai N	Acquirer 1	C – 3503/3504, 35 <sup>th</sup> Floor, C Wing, Orbit Heights, Javji Dadaji Marg, Nana Chowk, Grant Road, Mumbai – 400007, Maharashtra, India.	+91-9820339988	yogistar_2001@yahoo.com
Patel Pareshbhai Nanjibhai	Acquirer 2	Plot No. 2602, Akshar Diamond Chowk, Bhavnagar – 364001, Gujarat, India.	+91-9998339988	pareshpatel044@yahoo.com

There is no person acting in concert for this Offer.

**FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF PARSHARTI INVESTMENT LIMITED**

**Corporate Identification Number:** L93000MH1992PLC069958;

**Registered Office:** 3, National House, 1<sup>st</sup> Floor, 27, Raghunath Dadaji Street, Fort, Mumbai – 400001, Maharashtra, India;

**Contact Number:** +912222622675/22679029; **Fax Number:** +912249742005;

**Website:** www.parshartiinvestment.com; **Email Address:** parsharti\_investment@rediffmail.com/ cs.parsharti@rediffmail.com;

**Open Offer for acquisition of up to 8,72,898 (Eight Lakhs Seventy-Two Thousand Eight Hundred and Ninety-Eight) fully paid-up equity shares of face value of ₹10.00/- (Rupees Ten Only) each ('Equity Shares'), representing 26.00% (Twenty-Six Percent) of the Voting Share Capital of Parsharti Investment Limited ('PARSHINV' or 'Target Company'), at an offer price of ₹7.00/- (Rupees Seven Only) ('Offer Price'), by the Acquirers in accordance with the provisions of Regulations 3 (1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto ('SEBI (SAST) Regulations') ('Offer').**

**Please Note:**

- This Offer is being made by the Acquirers, in pursuance of the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, for substantial acquisition of Equity Shares and Voting Share Capital accompanied with change in control and management of the Target Company.
- As on the date of this DLoF, to the best knowledge of the Acquirers, there are no statutory approval(s) required to acquire Equity Shares that are validly tendered pursuant to this Offer. However, the Offer would be subject to all statutory approval(s) as may be required and/or may subsequently become necessary to acquire at any later date.
- If there is any upward revision in the Offer Price (*term defined below*) and/ or the Offer Size (*term defined below*) at any time up to 1 (One) Working Day prior to commencement of the Tendering Period i.e., **Tuesday, February 08, 2022**, in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a public announcement in the same newspapers where the original DPS (*term defined below*) had appeared. If the Offer is withdrawn pursuant to Regulation 23 of the SEBI (SAST) Regulations, the same would be communicated within 2 (Two) Working Days by an announcement in the same newspapers in which the DPS had appeared.
- This is not a competitive offer as per Regulation 20 of the SEBI (SAST) Regulations.**
- If there is a competitive offer, then the Offer under all subsisting bids shall open and close on the same date.**
- This Offer is not subject to a minimum level of acceptance by the Public Shareholders of the Target Company and is not a conditional offer under Regulation 19 of the SEBI (SAST) Regulations.
- Public Shareholders, who have accepted this Offer by tendering the requisite documents in terms of the PA, the DPS, this DLoF, and the LoF (*term defined below*), shall not be entitled to withdraw such acceptance during the Tendering Period (*term defined below*).
- The procedure for acceptance is set out in Paragraph 8 titled as '*Procedure for Acceptance and Settlement of the Offer*' at page 23 of this DLoF.
- The PA, the DPS, and this DLoF would also be available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in).

**CAPITALSQUARE**<sup>®</sup>  
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**MANAGER TO THE OFFER**

**CAPITALSQUARE ADVISORS PRIVATE LIMITED**

208, 2<sup>nd</sup> Floor, AARPEE Center, MIDC Road No 11, CTS 70, Andheri (East), Mumbai – 400093, Maharashtra, India;

**Telephone Number:** +912266849999/ +919874283532;

**Email Address:** tanmoy.banerjee@capitalsquare.in/

pankita.patel@capitalsquare.in;

**Website:** www.capitalsquare.in;

**Contact Person:** Mr. Tanmoy Banerjee/Ms. Pankita Patel;

**SEBI Registration Number:** INM000012219;

**LINK Intime**

**REGISTRAR TO THE OFFER**

**LINK INTIME INDIA PRIVATE LIMITED**

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India;

**Telephone Number:** +912249186200;

**E-mail Address:** parshartiinvestment.offer@linkintime.co.in;

**Website:** www.linkintime.co.in;

**Contact Person:** Mr. Sumeet Deshpande;

**SEBI Registration Number:** INR000004058;

**OFFER OPENING DATE**

**WEDNESDAY, FEBRUARY 09, 2022**

**OFFER CLOSING DATE**

**TUESDAY, FEBRUARY 22, 2022**

## TENTATIVE SCHEDULE OF THE MAJOR ACTIVITIES RELATING TO THIS OFFER

Tentative Schedule of Activities	Day	Date
Date of the PA	Friday	December 17, 2021
Last date of publication of the DPS in the newspapers	Friday	December 24, 2021
Last date of filing of the DLoF with SEBI	Friday	December 31, 2021
Last date for public announcement for a Competing Offer#	Friday	January 14, 2022
Last date by which SEBI's observations on the DLoF will be received (in the event SEBI has not sought clarification or additional information from the Manager)	Friday	January 21, 2022
Identified Date*	Tuesday	January 25, 2022
Date by which the LoF will be dispatched to the Public Shareholders whose names appear on the register of members on the Identified Date	Wednesday	February 02, 2022
Last date by which the committee of the independent directors of the Target Company is required to give its recommendation to the Public Shareholders for this Offer	Monday	February 07, 2022
Last date for upward revision of the Offer Price and / or the Offer Size	Tuesday	February 08, 2022
Date of publication of opening of Offer public announcement in the newspapers in which the DPS had been published	Tuesday	February 08, 2022
Date of commencement of Tendering Period	Wednesday	February 09, 2022
Date of closing of Tendering Period	Tuesday	February 22, 2022
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	Wednesday	March 09, 2022

*Note:*

*The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of requisite approvals from various statutory/ regulatory authorities and may have to be revised accordingly. To clarify, the actions set out above may be completed prior to their corresponding dates subject to compliance with the SEBI (SAST) Regulations.*

*#There has been no competing offer as of the date of this DLoF.*

*\*Identified Date is only for the purpose of determining the names of the Public Shareholders to whom the LoF would be sent. All the public shareholders (registered or unregistered) of the Equity Shares (except the Acquirers and the parties to the SPA) are eligible to participate in this Offer any time before the closure of this Offer.*

## **RISK FACTORS RELATING TO THE UNDERLYING TRANSACTION, THE PROPOSED OFFER, AND PROBABLE RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRERS**

**For capitalized terms used hereinafter, please refer to the 'Definitions' set out below:**

### **A. Risks relating to Underlying Transaction**

1. The Underlying Transaction is subject to various conditions as specified under the SPA, including: (a) receipt of all statutory approvals as set out in Paragraph 7.6 titled as '*Statutory Approvals and conditions of the Offer*' at page 23 of this DLoF and those which become applicable prior to the completion of this Offer; (b) the satisfaction or waiver of the various conditions under the SPA, including those conditions set out in paragraph 3.1.9 at page 11 of this DLoF, and if these conditions are not satisfied or waived and subsequently terminated in accordance with the terms of the SPA, then the Underlying Transaction may be terminated.
2. The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

### **B. Risks relating to this Offer**

1. This Offer is a mandatory open offer to acquire up to 26.00% (Twenty-Six Percent) of Voting Share Capital of the Target Company from the Public Shareholders. In the case of oversubscription in this Offer, as per the SEBI (SAST) Regulations, acceptance of the Equity Shares would be determined on a proportionate basis, and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Offer will be accepted.
2. As on the date of this DLoF, to the best of knowledge and belief of the Acquirers, there are no statutory approvals required to acquire the Equity Shares that are validly tendered pursuant to this Offer or to complete this Offer, for further details kindly refer to Paragraph 7.6 titled as '*Statutory Approvals and conditions of the Offer*' at page 23 of this DLoF. However, if any other statutory approvals are required prior to the completion of this Offer, then this Offer would be subject to the receipt of such other statutory approvals that may become applicable later.
3. In the event that either: (a) regulatory approval is not received in a timely manner, or (b) there is any litigation leading to stay on this Offer, or (c) SEBI instructs the Acquirers not to proceed with this Offer, then the Offer process may be delayed beyond the Schedule of Activities indicated in this DLoF. Consequently, payment of consideration to the Public Shareholders of the Target Company whose Equity Shares have been accepted in this Offer as well as the return of the Equity Shares not accepted by the Acquirers may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 18 (11) of the SEBI (SAST) Regulations, then SEBI may, if satisfied that the non-receipt of approvals was not attributable to any wilful default, negligence, or failure on the part of the Acquirers to diligently pursue such approvals, grant an extension for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the Public Shareholders for the delay beyond the 10<sup>th</sup> (Tenth) Working Day from the date of closure of the Tendering Period, as may be specified by SEBI.
4. Public Shareholders should note that the Equity Shares tendered by them and accepted in this Offer shall not be entitled to be withdraw post-acceptance of such Equity Shares during the Tendering Period, even if the acceptance of such Equity Shares under this Offer and the payment of consideration gets delayed. The tendered Equity Shares and documents would be held by the Registrar, till such time as the process of acceptance of tenders and the payment of consideration is completed.
5. This Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers. The Acquirers may not be able to proceed with this Offer in the event the approvals are not received in terms of the Regulation 23 of the SEBI (SAST) Regulations. Further delay, if any, in the receipt of these approvals may delay completion of this Offer.

### **C. Risks involved in associating with the Acquirers**

1. The Acquirers intend to acquire up to 8,72,898 (Eight Lakhs Seventy-Two Thousand Eight Hundred and Ninety-Eight) Equity Shares, representing 26.00% (Twenty-Six Percent) of the Voting Share Capital of the Target Company, at an offer price of ₹7.00/- (Rupees Seven Only) per Equity Share, payable in cash, under the SEBI (SAST) Regulations. The Target Company does not have any partly paid-up Equity Shares as on the date of this DLoF. The Equity Shares and the documents tendered in this Offer will be held in trust by the Registrar until the completion of this Offer formalities, and the Public Shareholders will not be able to trade in such Equity Shares thereafter. Post this Offer, the Acquirers will have significant equity ownership and effective management control over the Target Company, pursuant to the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations.

2. The Acquirers make no assurance with respect to the market price of the Equity Shares during the Offer Period and upon the completion of this Offer and disclaim any responsibilities with respect to any decision by the Public Shareholders on whether to participate in this Offer. The Acquirers make no assurance with respect to the financial performance of the Target Company.
3. The Acquirers and the Manager, accept no responsibility for the statements made otherwise than in the PA, the DPS or this DLoF or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manager, and any person placing reliance on any other source of information would be doing so at its own risk.
4. For the purpose of disclosures in the DLoF, all information relating to the: (a) Target Company has been obtained from publicly available sources or from the Target Company; (b) Sellers has been obtained from them. The accuracy of such details of the Target Company and the Sellers have not been independently verified by the Acquirers and the Manager.

**The risk factors set forth above pertaining to this 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 Public Shareholder in this Offer. Public Shareholders of the Target Company are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in this Offer. Each Public Shareholder of the Target Company is hereby advised to consult with their legal, financial, tax, investment, or other advisors and consultants of their choice, if any, for further risks with respect to each such Public Shareholder's participation in this Offer and related transfer of Equity Shares to the Acquirers.**

#### **CURRENCY OF PRESENTATION**

1. In this DLoF, all references to '₹', 'Rs.', 'Rupees', 'Re', 'Rupee' are references to the official currency of India.
2. In this DLoF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

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## 1. DEFINITIONS AND ABBREVIATIONS

Abbreviations	Particulars
Acquirer 1	Patel Ghanshyambhai N
Acquirer 2	Patel Pareshbhai Nanjibhai
Acquirers	Acquirer 1 and Acquirer 2 are hereinafter collectively referred to as Acquirers
Board	Board of Directors of the Target Company
Book Value per Equity Share	Net-Worth / Number of Equity Share
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Clearing Corporation	Indian Clearing Corporation Limited
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made thereunder
Depositories	CDSL and NSDL
DIN	Director Identification Number
DLoF	This draft letter of offer dated Friday, December 24, 2021, filed and submitted with SEBI pursuant to the provisions of Regulation 16 (1) of the SEBI (SAST) Regulations, for its observations
DP	Depository Participant
DPS	Detailed Public Statement dated Monday, December 20, 2021, in connection with this Offer, published on behalf of the Acquirers on Tuesday, December 21, 2021, 2021, in Financial Express - English (All India Edition), Jansatta - Hindi (All India Edition), and Mumbai Lakshadeep - Marathi (Mumbai Edition)
Tendering Period	Wednesday, February 09, 2022, to Tuesday, February 22, 2022
ECS	Electronic Clearing Service
EPS	Earnings Per Equity Share;
Escrow Agreement	Escrow Agreement, dated Friday, December 17, 2021, entered into between the Acquirers, the Escrow Banker and the Manager
Escrow Account	The escrow account with account number '5646126800' and in the name and style of 'Parshinv Open Offer Escrow Account' opened by the Acquirers with the Escrow Bank, in accordance with the SEBI (SAST) Regulations
Escrow Amount	The amount aggregating to ₹62,00,000.00/- (Rupees Sixty-Two Lakhs Only) maintained by the Acquirers with the Escrow Banker, in accordance with the Escrow Agreement
Escrow Banker	Kotak Mahindra Bank Limited
Equity Shares	The fully paid-up equity shares of the Target Company of face value of ₹10.00/- (Rupees Ten Only) each
Equity Share Capital	The fully paid-up Equity Share capital of the Target Company is ₹3,35,73,000.00/- (Rupees Three Crores Thirty-Five Lakhs Seventy-Three Thousand Only) comprising of 33,57,300 (Thirty-Three Lakhs Fifty-Seven Thousand and Three Hundred) Equity Shares;
Identified Date	The date for the purpose of determining the names of the shareholders as on such date to whom the LoF would be sent, being Tuesday, January 25, 2022
IT Act	Income Tax Act, 1961, as amended and modified from time to time
IFSC	Indian Financial System Code
LoF	Letter of Offer
Manager	CapitalSquare Advisors Private Limited
Maximum Consideration	The total funding requirement for this Offer, assuming full acceptance of this Offer being ₹61,10,286.00/- (Rupees Sixty-One Lakhs Ten Thousand Two Hundred and Eighty-Six Only)
NRI/s	Non - Resident Indians
NSDL	National Securities Depository Limited
Offer	Open offer being made by the Acquirers for acquisition of up to 8,72,898 (Eight Lakhs Seventy-Two Thousand Eight Hundred and Ninety-Eight) Equity Shares, representing 26.00% (Twenty-Six Percent) of the Voting Share Capital of the Target Company, at a price of ₹7.00/- (Rupees Seven Only) per Equity Share, payable in cash
Offer Period	The period from the date of entering into an agreement, to acquire the Equity Shares, and Voting Share Capital in, or control over, the Target Company requiring a Public Announcement or the date on which the Public Announcement was issued by the Acquirer, i.e., Friday, December 17, 2021 and the date on which the payment of consideration to the

Abbreviations	Particulars
	Equity Public Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	An offer price of ₹7.00/- (Rupees Seven Only) per Equity Share
Offer Shares	8,72,898 (Eight Lakhs Seventy-Two Thousand Eight Hundred and Ninety-Eight)
Offer Size	Up to 8,72,898 (Eight Lakhs Seventy-Two Thousand Eight Hundred and Ninety-Eight), representing 26.00% (Twenty-Six Percent) of the Voting Share Capital
PA	Public Announcement dated Friday December 17, 2021
PAN	Permanent Account Number
PARSHINV/ Target Company	Parsharti Investment Limited, a company incorporated on December 14, 1992, under the provisions of the Companies Act, 1956, having its registered office located at 3, National House, 1 <sup>st</sup> Floor, 27, Raghunath Dadaji Street, Fort, Mumbai – 400001, Maharashtra, India.
PAT	Profit After Tax
Public Shareholders	All the equity shareholders of the Target Company excluding (a) the shareholders forming a part of the promoter/ promoter group of the Target Company; (b) parties to the SPA; and (c) any persons acting in concert or deemed to be acting in concert with the persons set out in (a) and (b)
RBI	Reserve Bank of India
Registrar	Link Intime India Private Limited
Return on Net Worth	Profit After Tax/ Net-Worth
Sale Shares	Sale of 19,59,487 (Nineteen Lakhs Fifty-Nine Thousand Four Hundred and Eighty-Seven) Equity Shares, representing 58.36% (Fifty-Eight point Three Six Percent) of the Voting Share Capital, by the existing promoters and members of the Promoter Group of the Target Company to the Acquirers, pursuant to the execution of an SPA, at a price of ₹7.00/- (Rupees Seven Only) per Equity Share ( <b>‘Negotiated Price’</b> ) aggregating to an amount of ₹1,37,16,409.00/- (Rupees One Crore Thirty-Seven Lakhs Sixteen Thousand Four Hundred and Nine Only)
SCRR	Securities Contract (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
Selling Broker	Respective stockbrokers of all the Public Shareholders who desire to tender their Equity Shares under this Offer
Sellers/ Promoters	Promoters of the Target Company as per Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) 2015;
SPA	Share Purchase Agreement dated Friday, December 17, 2021, entered amongst the Acquirers and following mentioned existing promoters, namely being: (a) Devendra Kumar Babulal Goyal; (b) Ravindra Devendra Goyal; (c) Usha Devendra Goyal; (d) Pooja Pankaj Bansal; (e) Nitu Mohan Goyal; (f) Hitsharan Babulal Goyal; (g) Radha Hitsharan Goyal; (h) Vishnu Kumar Goyal; (i) Rameshwar Dayal Goyal HUF; (j) Mohan Goyal; (k) DK Goyal HUF; (l) Dhananjay Financial Services Private Limited, and (m) Crest Capital Services Private Limited ( <i>the aforementioned parties are hereinafter referred collectively referred to as ‘Sellers’</i> ) to acquire 19,59,487 (Nineteen Lakhs Fifty-Nine Thousand Four Hundred and Eighty-Seven) Equity Shares representing 58.36% (Fifty-Eight point Three Six Percent) of the Voting Share Capital of the Target Company ( <b>‘SPA Shares’</b> ) from the Sellers at a ₹7.00/- (Rupees Seven Only) per Equity Share ( <b>‘Negotiated Price’</b> ) aggregating to a total consideration of ₹1,37,16,409.00/- (Rupees One Crore Thirty-Seven Lakhs Sixteen Thousand Four Hundred and Nine Only).
Stock Exchange	The stock exchange where the Equity Shares of the Target Company are listed, i.e., BSE Limited
STT	Securities transaction tax
Voting Share Capital	The fully diluted Equity Share Capital and voting share capital of the Target Company as of the 10 <sup>th</sup> (Tenth) working day from the closure of the Tendering Period
Target Company/ PARSHINV	Parsharti Investment Limited

Abbreviations	Particulars
Tendering Period	The period proposed to commence from Wednesday, February 09, 2022, and close on Tuesday, February 22, 2022 both days inclusive
TRS	Transaction Registration Slip
Underlying Transaction	The transaction for sale and purchase of the Sale Shares as contemplated under the SPA
Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations

*Note:*

*All terms beginning with a capital letter used in this DLoF, but not otherwise defined herein, shall have the meaning ascribed thereto in the SEBI (SAST) Regulations unless specified.*

*In this DLoF, any reference to the singular will include the plural and vice-versa.*

## 2. DISCLAIMER CLAUSE

**‘IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT, THE SAME HAS BEEN CLEARED, VETTED, OR APPROVED BY SECURITIES AND EXCHANGE BOARD OF INDIA. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SECURITIES AND EXCHANGE BOARD OF INDIA FOR A LIMITED PURPOSE FOR OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, INCLUDING SUBSEQUENT AMENDMENTS THERETO. THIS REQUIREMENT IS TO FACILITATE PUBLIC SHAREHOLDERS OF PARSHARTI INVESTMENT LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THIS OFFER. SECURITIES AND EXCHANGE BOARD OF INDIA DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR FOR THE TARGET COMPANY WHOSE EQUITY SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR THE OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL THE RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FRIDAY, DECEMBER 24, 2021, TO SECURITIES AND EXCHANGE BOARD OF INDIA IN ACCORDANCE WITH THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, INCLUDING SUBSEQUENT AMENDMENTS THERETO. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THIS OFFER.’**

### **General Disclaimer**

This DLoF together with the PA, and the DPS in connection with the Offer, has been prepared for the purposes of compliance with the provisions of SEBI (SAST) Regulations. 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. Neither the delivery of this DLoF and/or the LoF, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirers, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirers are under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LoF shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the LoF by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this DLoF and/or the LoF under any local securities laws), 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. Accordingly, no such Public Shareholder may tender his, her or its Equity Shares in this Offer in such jurisdiction.

Persons in possession of the PA, the DPS, this DLoF, the LOF and/or any other advertisement/ publication made or delivered in connection with this Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted, and agreed that he, she, or it is authorized under the provisions of any applicable local laws, rules, regulations, and statutes to participate in this Offer.

### 3. DETAILS OF THIS OFFER

#### 3.1. Background of the Offer

- 3.1.1. This is a mandatory Open Offer, being made by Patel Ghanshyambhai N (Acquirer 1) and Patel Pareshbhai Nanjibhai (Acquirer 2), in pursuance of and in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, to the Public Shareholders of the Target Company. This Offer has triggered upon the execution of the SPA.
- 3.1.2. The prime object of this Open Offer is to acquire substantial acquisition of Equity Shares and Voting Share Capital accompanied with the change in control and management of the Target Company.
- 3.1.3. There is/ are no person acting in concert/s with the Acquirers within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations.
- 3.1.4. The Acquirers are making this Offer to acquire up to 8,72,898 (Eight Lakhs Seventy-Two Thousand Eight Hundred and Ninety-Eight) Equity Shares representing 26.00% (Twenty-Six Percent) of Voting Share Capital of the Target Company, at an offer price of ₹7.00/- (Rupees Seven Only) per Equity Share, aggregating to a total consideration of ₹61,10,286.00/- (Rupees Sixty-One Lakhs Ten Thousand Two Hundred and Eighty-Six Only), payable in cash, in accordance with the provisions of Regulation 9 (1) (a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the PA, the DPS, this DLoF, and LoF.
- 3.1.5. The Acquirers have entered into an SPA with the Sellers with an intention to acquire up to 19,59,487 (Nineteen Lakhs Fifty-Nine Thousand Four Hundred and Eighty-Seven) Equity Shares, representing 58.36% (Fifty-Eight point Three Six Percent) of the Voting Share Capital of the Target Company at a Negotiated Price of ₹7.00/- (Rupees Seven Only) per Sale Share, for a total consideration of ₹1,37,16,409.00/- (Rupees One Crore Thirty-Seven Lakhs Sixteen Thousand Four Hundred and Nine Only), payable in compliance with the terms and conditions scheduled in the SPA.
- 3.1.6. The details of the all the Sellers, who have entered into the SPA with the Acquirers are stated hereunder:

Sr. No.	Name, PAN, and Address of the Selling Promoter Shareholders	Changes in the names in the past	Nature of entity	Part of the Promoter/ Promoter Group	Equity Shares held prior to SPA	% of Equity Shares
a.	<b>Devendra Kumar Babulal Goyal</b> Permanent Account Number: AAFPG0141B Resident at 403-404, Paradise Park Co-operative Housing Society, Off Tagore Road Anil Mehta Marg, Santacruz (West), Mumbai – 400006, Maharashtra, India	Not Applicable	Individual	Yes	4,35,622	12.98%
b.	<b>Ravindra Devendra Goyal</b> Permanent Account Number: AFAPG8226M Resident at 403-404, Paradise Park Co-operative Housing Society, Off Tagore Road Anil Mehta Marg, Santacruz West, Mumbai – 400054, Maharashtra, India	Not Applicable	Individual	Yes	3,20,997	9.56%
c.	<b>Usha Devendra Goyal</b> Permanent Account Number: AACPG5201B Resident at 403-404, Paradise Park Co-operative Housing Society, Off Tagore	Not Applicable	Individual	Yes	2,75,400	8.20%

Sr. No.	Name, PAN, and Address of the Selling Promoter Shareholders	Changes in the names in the past	Nature of entity	Part of the Promoter/Promoter Group	Equity Shares held prior to SPA	% of Equity Shares
	Road Anil Mehta Marg, Santacruz West, Mumbai – 400054, Maharashtra, India					
d.	<b>Pooja Pankaj Bansal</b> Permanent Account Number: ADUPG9733B Resident at 505, Veena Saaz, Building Wing – Sur, Opposite Thakur Vidya Mandir School, Thakur Complex, Kandivali (East), Mumbai – 400101, Maharashtra, India	Not Applicable	Individual	Yes	2,12,726	6.34%
e.	<b>Nitu Mohan Goyal</b> Permanent Account Number: AFPPG9655P Resident at D-26/003, Yogi Nagar, Eksar Road, Borivali (West), Mumbai – 400091, Maharashtra, India	Not Applicable	Individual	Yes	1,56,600	4.66%
f.	<b>Hitsharan Babulal Goyal</b> Permanent Account Number: AEKPG6700K Resident at K52, Flat No. 002, Yogi Sagar C.H.S, Eksar Road, Near Dena Bank, Yogi Nagar, Borivali (West), Mumbai – 400091, Maharashtra, India	Not Applicable	Individual	Yes	1,50,500	4.48%
g.	<b>Radha Hitsharan Goyal</b> Permanent Account Number: AAEPG9841R Resident at K52, Flat No. 002, Yogi Sagar C.H.S, Eksar Road, Near Dena Bank, Yogi Nagar, Borivali (West), Mumbai – 400091, Maharashtra, India	Not Applicable	Individual	Yes	1,50,000	4.47%
h.	<b>Vishnu Kumar Goyal</b> Permanent Account Number: AACPG3791N Resident at D-8, Yogi Prabhat, Flat No. 003, Yogi Nagar, Eksar Road, Borivali (West), Mumbai – 400091, Maharashtra, India	Not Applicable	Individual	Yes	5,000	0.15%
i.	<b>Rameshwar Dayal Goyal HUF</b> Permanent Account Number: AAHHR8936H Acting through its Karta Rameshwar Dayal Goyal Resident at 702, Parag Apartment, J.P Road, Andheri (West), Mumbai – 400058, Maharashtra, India	Not Applicable	Individual	Yes	4,500	0.13%
j.	<b>Mohan Goyal</b> Permanent Account Number: AAEPG6135A Resident at D-26/003, Yogi Nagar, Eksar Road, Borivali (West), Mumbai – 400091, Maharashtra, India	Not Applicable	Individual	Yes	1,300	0.04%
k.	<b>DK Goyal HUF</b> Permanent Account Number: AADHD9172M Acting through its Karta Devendra Kumar Babulal Goyal	Not Applicable	Individual	Yes	542	0.02%

Sr. No.	Name, PAN, and Address of the Selling Promoter Shareholders	Changes in the names in the past	Nature of entity	Part of the Promoter/ Promoter Group	Equity Shares held prior to SPA	% of Equity Shares
	Resident at 403-404, Paradise Park Co-operative Housing Society, Off Tagore Road Anil Mehta Marg, Santacruz West, Mumbai – 400054, Maharashtra, India					
l.	<b>Dhananjay Financial Services Private Limited</b> Permanent Account Number: AAACD3532D Corporate Identification Number: U67190MH1995PTC087090 Registered Office Address: 3, National House, 1 <sup>st</sup> Floor 27, Raghunath Dadaji Street, Fort, Mumbai – 400054, Maharashtra, India	Not Applicable	Private Limited Company	Yes	2,46,200	7.33%
m.	<b>Crest Capital Services Private Limited</b> Permanent Account Number: AAEECC0116E Corporate Identification Number: U67190MH2010PTC204219 Registered Office Address: 3, National House, 1 <sup>st</sup> Floor 27, Raghunath Dadaji Street, Fort, Mumbai – 400054, Maharashtra, India	Not Applicable	Private Limited Company	Yes	100	Negligible
<b>TOTAL</b>					<b>19,59,487</b>	<b>58.36%</b>

- 3.1.7. Expect for the proposed acquisition of 19,59,487 (Nineteen Lakhs Fifty-Nine Thousand Four Hundred and Eighty-Seven) Equity Shares representing 58.36% (Fifty-Eight point Three Six Percent) of the Voting Share Capital of the Target Company, by the Acquirers pursuant to execution of the SPA.
- 3.1.8. This Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 3.1.9. The salient features of the SPA are as follows:
- a. The Sellers are holding 19,59,487 (Nineteen Lakhs Fifty-Nine Thousand Four Hundred and Eighty-Seven) Equity Shares, representing 58.36% (Fifty-Eight point Three Six Percent) of the Voting Share Capital of the Target Company.
  - b. The Sellers have agreed to sell and the Acquirers have agreed to acquire 19,59,487 (Nineteen Lakhs Fifty-Nine Thousand Four Hundred and Eighty-Seven) Equity Shares, representing 58.36% (Fifty-Eight point Three Six Percent) of the Voting Share Capital of the Target Company, at a negotiated price of ₹7.00/- (Rupees Seven Only) per Sale Share aggregating to an amount of ₹1,37,16,409.00/- (Rupees One Crore Thirty-Seven Lakhs Sixteen Thousand Four Hundred and Nine Only) in terms of the SPA (**‘Purchase Price’**).
  - c. The Sale Shares are free from all charges, encumbrances, pledges, liens, attachments, litigations and are not subjects to any lock in period.
  - d. The aggregate entire purchase consideration for the Sale Shares aggregating to an amount of ₹1,37,16,409.00/- (Rupees One Crore Thirty-Seven Lakhs Sixteen Thousand Four Hundred and Nine Only) shall be payable by the Acquirers to the Sellers:
    - (i) Not later than 7 (Seven) working days from the expiry of 21 (Twenty-One) working days from the date of issuance of the Detailed Public Statement in accordance with the provisions of Regulation 22 (2) of the SEBI (SAST) Regulations; or
    - (ii) Such other date as may be mutually agreed in writing between the Acquirers and the Sellers in good faith.
  - e. After completion of this Offer, the Sellers shall not hold any Equity Shares and Voting Share Capital in the Target Company, and hence shall be no longer be the shareholders of the Target Company in any capacity.

- f. The Sellers shall sell, convey, and deliver to the Acquirers the Sale Shares, and the Acquirers shall purchase, acquire, and accept the said Sale Shares from the Sellers.
  - g. The Acquirers and the Sellers have agreed to abide by their obligations as contained in the SEBI (SAST) Regulations.
  - h. Non-compliance with any provisions of the SEBI (SAST) Regulations will lead to termination of the SPA, effecting such sale from being acted upon by the Sellers or the Acquirers.
- 3.1.10. The Acquirers may nominate, appoint, or cause the appointment of persons to the Board of the Target Company and /or modify the composition of the Board of the Target Company in accordance with the applicable laws. In terms of SPA, the Acquirers have the right to appoint directors on the Board of the Target Company after the date of completion of the Underlying Transaction on the Closing Date.
- 3.1.11. As per the provisions of Regulations 26 (6) and 26 (7) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a committee of independent directors who would provide written reasoned recommendation on this Offer to the Public Shareholders of the Target Company and such recommendations shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period in the same newspaper where the DPS was published.

### 3.2. Details of the proposed Offer

- 3.2.1. The PA was issued on Friday, December 17, 2021, by the Manager, for and on behalf of the Acquirers. A copy of the said PA was filed with SEBI, BSE, and the Target Company on Friday, December 17, 2021.
- 3.2.2. The DPS dated Monday, December 20, 2021, which were subsequently published in the following newspapers on Tuesday, December 21, 2021, in accordance with the provisions of Regulation 14 (3) of the SEBI (SAST) Regulations:

Publication	Language	Edition
Financial Express	English	All Editions
Jansatta	Hindi	All Edition
Mumbai Lakshadweep	Marathi	Mumbai Edition

- 3.2.3. The DPS is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in); website of BSE at [www.bseindia.com](http://www.bseindia.com); and the website of Manager at [www.capitalsquare.in](http://www.capitalsquare.in).
- 3.2.4. The Acquirers have proposed to acquire from the Public Shareholders up to 8,72,898 (Eight Lakhs Seventy-Two Thousand Eight Hundred and Ninety-Eight) Equity Shares, representing 26.00% (Twenty-Six Percent) of the Voting Share Capital of the Target Company at a price of ₹7.00/- (Rupees Seven Only) per Equity Share, payable in cash, in accordance with the provisions of Regulation 9 (1) (a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the PA, the DPS, and this DLoF.
- 3.2.5. The Target Company doesn't have any partly paid-up Equity Shares, and there are no outstanding warrants, or options or similar instrument, which are convertible into Equity Shares at a later stage. Further as on date of this DLoF, no Equity Shares are subject to any lock-in obligations.
- 3.2.6. The Acquirers will accept all the Equity Shares of the Target Company, that are tendered in valid form in terms of this Offer up to a maximum of 8,72,898 (Eight Lakhs Seventy-Two Thousand Eight Hundred and Ninety-Eight) representing 26.00% (Twenty-Six Percent) of the Voting Share Capital of the Target Company.
- 3.2.7. The Acquirers have not acquired any Equity Shares during period of 52 (Fifty-Two) week's prior to the date of the PA. Further, the Acquirers have not purchased any Equity Shares from the date of the PA to the date of this DLoF.
- 3.2.8. The Acquirers have deposited 100.00% (Hundred Percent) of the Maximum Consideration payable to the Public Shareholders in Escrow Account pursuant of this Offer, in compliance with the provisions of Regulation 22 (2) of the SEBI (SAST) Regulations.
- 3.2.9. No competing offer has been received as on date of this DLoF.
- 3.2.10. There is no differential pricing in this Offer.

- 3.2.11. This Offer is not conditional upon any minimum level of acceptance in terms of the Regulation 19 (1) of SEBI (SAST) Regulations.
- 3.2.12. This Offer is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
- 3.2.13. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares.
- 3.2.14. The Equity Shares will be acquired by the Acquirers free from all liens, charges, and encumbrances together with all rights attached thereto, including the right to all dividends, bonus, and rights offer declared hereafter.
- 3.2.15. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirers have appointed CapitalSquare Advisors Private Limited as the Manager.
- 3.2.16. As on the date of this DLoF, the Manager does not hold any Equity Shares in the Target Company and is not related to the Acquirers and the Target Company in any manner whatsoever. The Manager declares and undertakes that, they shall not deal on its own account in the Equity Shares during the Offer Period. Further, the Manager confirms that, as on date of this DLoF, there are no directions subsisting or proceedings pending against them under the SEBI Act and the regulations made thereunder, and no other statutory approval is pending.
- 3.2.17. As per Regulation 38 of the SEBI (LODR) Regulations, read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (Twenty-Five Percent) of the public shareholding, on continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per SCRR and the SEBI (LODR) Regulations. In case, if the public shareholding falls below the minimum required level, the Acquirers undertake to take necessary steps to facilitate compliance by the Target Company with the relevant provisions of the SEBI (LODR) Regulations, within the time period mentioned therein or in accordance with such other directions as may be provided by the BSE, in accordance with the provisions of Regulation 7(4) of the SEBI (SAST) Regulations and SCRR.
- 3.2.18. Upon completion of this Offer, assuming full acceptances, the Acquirers will hold 28,32,385 (Twenty-Eight Lakhs Thirty-Two Thousand Three Hundred and Eighty-Five) Equity Shares representing 84.36% (Eighty-Four Point Three Six Percent) of the Voting Share capital of the Target Company.

### 3.3. **Object of the Open Offer**

- 3.3.1. The prime object of this Open Offer is to acquire substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company.
- 3.3.2. The Acquirers have proposed to continue the existing business of the Target Company and may diversify its business activities in the future with the prior approval of the shareholders. The main purpose of this takeover is to expand the Company's business activities in same or diversified line of business through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.
- 3.3.3. The Acquirers state that, they do not have any plan to dispose-off or otherwise encumber any significant assets of the Target Company in the succeeding 2 (Two) years from the date of closure of this Offer, except: (a) in the ordinary course of business of the Target Company; and (b) on account of the regulatory approvals or conditions or compliance with any law that is binding on or applicable to the Target company. In the event any substantial asset of the Target Company is to be sold, disposed-off, or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that, they shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through a special resolution in terms of Regulation 25 (2) of the SEBI (SAST) Regulations, and subject to the such other provisions of applicable law as may be required.
- 3.3.4. The Acquirers have reserved the right to streamline or restructure, pledge, or encumber their holding in the Target Company and/ or the operations, assets, liabilities and/ or the businesses of the Target Company through arrangements, reconstructions, restructurings, mergers, demergers, sale of assets, or undertakings and/ or re-negotiation or termination of the existing contractual or operating arrangements, at a later date in accordance with the relevant applicable laws. Such decisions will be taken in accordance with the procedures set out under the relevant applicable laws, pursuant to business requirements, and in line with opportunities or changes in economic circumstances, from time to time.

3.3.5. Post-completion of acquisition of Offer Shares as contemplated under this Offer and pursuant to the transfer of Sale Shares as contemplated under the SPA, the Acquirers shall hold majority of the Equity Shares of the Target Company by virtue of which they will be in a position to exercise effective management and control over the Target Company.

3.3.6. Pursuant to this Offer and the transactions contemplated in the SPA, the Acquirers shall become the Promoters of the Target Company and, the Sellers will cease to be the promoters of the Target Company and shall be classified as a public shareholder in accordance with the provisions of Regulation 31A (10) of the SEBI (LODR) Regulations.

#### **4. BACKGROUND OF THE ACQUIRERS**

##### **4.1. Patel Ghanshyambhai N (Acquirer 1)**

4.1.1. Patel Ghanshyambhai N, s/o Nanjibhai Jadavbhai Patel, aged 41 years, is an Indian Resident, bearing Permanent Account Number 'ACMPP9719K' under the Income Tax Act, 1961, residing at C-3503/3504, 35<sup>th</sup> Floor, C Wing, Orbit Heights, Javji Dadaji Marg, Nana Chowk, Grant Road, Mumbai – 400007, Maharashtra, India, with contact number being '+91-9820339988', and Email Address being 'yogistar\_2001@yahoo.com'.

4.1.2. Acquirer 1 is an undergraduate and has completed his schooling from Gujarat. He is a businessman, having an experience of more than 25 (Twenty-Five) years in the diamond industry and real estate sector. Acquirer 1 is the promoter of Yogi Star Group. Further, Acquirer 1 is acting in the capacity of a Director at Yogi Homes Private Limited and is a Designated Partner at Yogi Realtors LLP and Yogi Star LLP. The leadership quality possessed by Acquirer 1 has enabled the companies to innovate and expand in different sectors.

4.1.3. The net worth of Acquirer 1 as on Tuesday, November 30, 2021 is ₹6,13,67,198.00/- (Rupees Six Crores Thirteen Lakhs Sixty-Seven Thousand One Hundred and Ninety-Eight Only) and the same is certified by Kushal Chand Mehta, Proprietor of Kushal Mehta & Associates, Chartered Accountant bearing Membership Number '143687', and Firm Registration Number '138645W', having its office located at 230, 2<sup>nd</sup> Floor, Panchratna Building, Opera House, Charni Road (East), Mumbai – 400004, Maharashtra, India, with Email Address being 'cakushal2011@gmail.com', and contact number being '+91-022-49706501', vide its certificate dated Friday, December 17, 2021.

##### **4.2. Patel Pareshbhai Nanjibhai (Acquirer 2)**

4.2.1. Patel Pareshbhai Nanjibhai, s/o Nanjibhai Jadavbhai Patel, aged 44 years, is an Indian Resident, bearing Permanent Account Number 'ACMPP9720G' under the Income Tax Act, 1961, residing at Plot No. 2602, Akshar Diamond Chowk, Bhavnagar – 364001, Gujarat, India, with contact number being '+91-9998339988', and Email Address being 'pareshpatel044@yahoo.com'.

4.2.2. Acquirer 2 is an undergraduate and has completed his schooling from Gujarat. He is a businessman, having an experience of than 25 (Twenty-Five) in the diamond industry and real estate sector. Acquirer 2 is the promoter of Yogi Star Group. Further, Acquirer 2 is acting in the capacity of a Director at Yogi Homes Private Limited and is a Designated Partner at Yogi Star LLP.

4.2.3. The net worth of Acquirer 2 as on Tuesday, November 30, 2021, is ₹4,46,08,066.00/- (Rupees Four Crores Forty-Six Lakhs Eight Thousand and Sixty-Six Only), and the same is certified by Kushal Chand Mehta, Proprietor of Kushal Mehta & Associates, Chartered Accountant bearing Membership Number '143687', and Firm Registration Number '138645W', having its office located at 230, 2<sup>nd</sup> Floor, Panchratna Building, Opera House, Charni Road (East), Mumbai – 400004, Maharashtra, India, with Email Address being 'cakushal2011@gmail.com', and contact number being '+91-022-49706501', vide its certificate dated Friday, December 17, 2021.

##### **4.3. Acquirers' Confirmation and Undertaking**

As on date of this DLoF, the Acquirers have, individually confirmed, and declared that:

4.3.1. The Acquirers are brothers and are related to each other.

4.3.2. They do not hold any Equity Shares of the Target Company.

4.3.3. They do not belong to any group.

4.3.4. They are not forming a part of the present promoter and promoter group of the Target Company.

- 4.3.5. There are no directors representing the Acquirers on the board of the Target Company.
- 4.3.6. They are not related to the promoters, directors, or key employees of the Target Company. Further, except for the execution of the SPA, they do not have any other relationship or interest in the Target Company or with the promoters, directors, or key employees of the Target Company.
- 4.3.7. They have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or under any other regulation made under the SEBI Act.
- 4.3.8. They have not been categorized nor do they appear in the 'Wilful Defaulter' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- 4.3.9. They have not been declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 4.3.10. There is no person acting in concert in relation to this Offer within the meaning of Regulation 2 (1) (q) (1) of the SEBI (SAST) Regulations.
- 4.3.11. They will not sell the Equity Shares of the Target Company, held, and acquired by them, if any, during the Offer period in terms of Regulation 25 (4) of the SEBI (SAST) Regulations.
- 4.3.12. They have not acquired any Equity Shares during period of 52 (Fifty-Two) week's prior to the date of the PA.
- 4.3.13. They have not purchased any Equity Shares from the date of the PA to the date of this DLoF.

## 5. BACKGROUND OF THE TARGET COMPANY

*(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)*

- 5.1. The Target Company was incorporated on December 14, 1992, under the name and style 'Parsharti Investment Private Limited' under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 14, 1992, issued by Additional Registrar of Companies, Maharashtra. Subsequently, the Target Company was converted into a public limited company pursuant to the approval of the shareholders at an annual general meeting dated July 25, 1994, and subsequently the name of the company was changed to 'Parsharti Investment Limited' and a fresh Certificate of Incorporation dated September 02, 1994, was issued by Registrar of Companies, Bombay, Maharashtra. The Company Identification Number of the Target Company is 'L93000MH1992PLC069958', with its registered office located at 3, National House, 1<sup>st</sup> Floor, 27, Raghunath Dadaji Street, Fort, Mumbai – 400001, Maharashtra, India. There has been no change in the name of the Target Company in the preceding 3 (Three) years.
- 5.2. As on the date of this DLoF, the authorized Equity Share capital of the Target Company is ₹5,00,00,000.00/- (Rupees Five Crores Only) comprising of 50,00,000 (Fifty Lakhs) Equity Shares, with the issued, subscribed, and paid-up Equity Share capital being ₹3,35,73,000.00/- (Rupees Three Crores Thirty-Five Lakhs Seventy-Three Thousand Only) comprising of 33,57,300 (Thirty-Three Lakhs Fifty-Seven Thousand and Three Hundred) Equity Shares. Further, the Target Company does not have any partly paid-up Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. As on date of this DPS, none of the Equity Shares are subject to any lock-in obligations.
- 5.3. As on date of this DLoF, the paid-up capital structure of the Target Company is as follows:

Particulars of Equity Share Capital	No. of Equity Shares and Voting Rights	% of Equity Shares and Voting Rights
Fully paid-up Equity Shares	33,57,300	100.00%
Partly paid-up Equity Shares	Nil	Nil
Total paid-up Equity Shares	33,57,300	100.00%
Total voting rights	33,57,300	100.00%

- 5.4. The entire Equity Share Capital and Voting Share Capital of the Target Company is listed at BSE. The Equity Shares bearing International Securities Identification Number 'INE290E01011' are placed under Group 'X' bearing Scrip Code '511702' and Scrip ID 'PARSHINV' on the BSE. The Target Company has already established connectivity with the Depositories.
- 5.5. Based on the information available on the BSE's website, the Equity Shares of the Target Company are infrequently traded on BSE within the meaning of explanation under the provisions of Regulation 2 (1) (j) of the SEBI (SAST) Regulations.
- 5.6. The Target Company is in compliance with the SEBI (LODR) Regulations, and as on date of this DLoF, no penal action has been taken by BSE against the Target Company. Further, no penalties had been or have been levied by SEBI/ RBI or any other regulatory body against the Target Company, and its Promoters.
- 5.7. The Target Company is not registered with any regulatory or governmental authority in any capacity and hence is not required to obtain any No Objection Certificate from any regulatory or governmental authority for effecting change in control of the Target Company.
- 5.8. The Target Company has not been a party to any scheme of amalgamation, restructuring, merger / de-merger and spin off during the last 3 (Three) years.
- 5.9. The present Board of Directors of the Target Company are as follows:

Sr. No.	Name	Date of Appointment	Director Identification Number	Designation
1.	Devendrakumar Babulal Goyal	December 14, 1992	00180212	Chairman and Director
2.	Rameshwar Babulal Goyal	July 31, 2006	00184667	Wholetime Director
3.	Jitendra Kalayanji Panchal	April 18, 2019	00180386	Wholetime Director and Chief Financial Officer
4.	Dhiren Kantil Shah	October 30, 2019	08584880	Independent Director
5.	Sivaramakrishnan Padmanabhan	October 31, 2014	06971886	Independent Director
6.	Priyanka Gupta	October 17, 2020	08909562	Independent Director

5.10. **Financial Information**

The financial details of the Target Company as per unaudited financial results and limited review report for the 6 (Six) months period ending September 30, 2021, and the audited Financial Statements for the last 3 (Three) Financial Years ended March 31, 2021, March 31, 2020, and March 31, 2019, are as follows:

Profit and Loss Statement				
(₹ in Lakhs)				
Particulars	Limited Review Unaudited Financial Statements for the Half year ending on September 30, 2021*	Audited Financial Statements for the Financial Year ending March 31 <sup>#</sup>		
		March 31, 2021	March 31, 2020	March 31, 2019
Income from Operations	17.90	12.12	19.75	51.80
Other Income	0.51	0.70	0.01	0.02
<b>Total Income</b>	<b>18.41</b>	<b>12.82</b>	<b>19.76</b>	<b>51.82</b>
<b>Total Expenditure</b>	<b>0.43</b>	<b>6.95</b>	<b>45.49</b>	<b>45.63</b>
Profit/(Loss) before Interest, Depreciation and Tax	18.05	5.87	(25.73)	6.19
Depreciation and Amortization Expenses	--	--	--	--
Interest	0.07	--	--	--
<b>Profit/ (Loss) before Tax</b>	<b>17.98</b>	<b>5.87</b>	<b>(25.73)</b>	<b>6.19</b>
Add: Exceptional Items	--	--	--	--
Less: (i) Current Tax	0.13	0.92	--	0.79
(ii) Deferred Tax	3.40	0.35	(7.05)	(7.90)



Profit and Loss Statement				
(₹ in Lakhs)				
Particulars	Limited Review Unaudited Financial Statements for the Half year ending on September 30, 2021*	Audited Financial Statements for the Financial Year ending March 31 <sup>#</sup>		
		March 31, 2021	March 31, 2020	March 31, 2019
(iii) MAT Credit Entitlement	7.00	(0.92)	(6.08)	--
(iv) Income Tax of Earlier Years	(0.74)	--	--	--
<b>Profit/ (Loss) After tax</b>	<b>8.19</b>	<b>5.52</b>	<b>(12.60)</b>	<b>13.31</b>

Balance Sheet				
(₹ in Lakhs)				
Particulars	Limited Review Unaudited Financial Statements for the Half year ending on September 30, 2021*	Audited Financial Statements for the Financial Year ending March 31 <sup>#</sup>		
		2021	2020	2019
<b>(A) Sources of funds</b>				
Paid-up share capital	335.73	335.73	335.73	335.73
Other Equity	(109.79)	(117.98)	(124.27)	(111.69)
<b>Net Worth</b>	<b>225.94</b>	<b>217.75</b>	<b>211.46</b>	<b>224.04</b>
Deferred Tax Liabilities	--	--	--	--
Trade Payables	--	--	--	--
Short Term Borrowings	1.52	--	--	--
Other Financial Liabilities	--	--	--	--
Other Current Liabilities	1.74	4.76	0.95	0.25
Short Term Provisions	--	--	--	--
<b>Total (A)</b>	<b>229.20</b>	<b>222.51</b>	<b>212.41</b>	<b>224.29</b>
<b>(B) Uses of funds</b>				
Net Fixed Assets	--	--	--	--
Non-Current Investments	5.73	5.72	4.86	4.84
Deferred Tax Assets (net)	11.19	14.60	15.04	7.99
MAT Credit Entitlement	--	7.00	6.08	--
Inventories	92.61	82.56	74.91	110.20
Trade Receivables	2.75	1.71	--	--
Cash and Cash Equivalents	0.22	1.32	9.41	6.89
Bank Balance Other than above	110.44	106.12	92.07	87.10
Loans	--	--	1.60	1.87
Other Financial Assets	1.08	2.72	4.29	2.77
Other Current Assets	5.18	0.76	4.15	2.63
<b>Total (B)</b>	<b>229.20</b>	<b>222.51</b>	<b>212.41</b>	<b>224.29</b>

Note: There is no major contingent liability in the Target Company.

Other Financial Data				
Particulars	Limited Review Unaudited Financial Statements for the Half year ending on September 30, 2021*	Audited Financial Statements for the Financial Year ending March 31 <sup>#</sup>		
		2021	2020	2019
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Share (₹)	₹0.24*	₹0.16	₹(0.37)	₹0.40
Return on Net worth (%)	3.62%	2.54%	(5.96)%	5.94%
Book Value Per Share (₹)	₹6.73	₹6.49	₹6.30	₹6.67

\*Not annualized.

Notes:

- (i)  $EPS = \text{Profit after tax} / \text{number of Equity Shares}$ ;

(ii)  $Return\ on\ Net\ Worth = Profit\ after\ Tax / Net-Worth;$

(iii)  $Book\ Value\ per\ Share = Net-Worth / No.\ of\ Equity\ Shares;$

Source: Audited Annual Reports or Audited Financial Statements or Unaudited Financial Results prepared in accordance with Indian Accounting Standards;

5.11. **The pre-Offer and post-Offer shareholding of the Target Company (based on the issued, subscribed, and paid-up Equity Share capital and Voting Share Capital), assuming full acceptance under this Offer is as specified below:**

Shareholders' Category	Shareholding/ voting rights prior to the SPA/ acquisition and Offer		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding/ voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%
<b>(1) Promoter Group</b>								
<b>Parties to the SPA</b>								
Devendra Kumar Babulal Goyal	4,35,622	12.98%	(4,35,622)	(12.98%)	--	--	--	--
Ravindra Devendra Goyal	3,20,997	9.56%	(3,20,997)	(9.56%)	--	--	--	--
Pooja Pankaj Bansal	2,12,726	6.34%	(2,12,726)	(6.34%)	--	--	--	--
Vishnu Kumar Goyal	5,000	0.15%	(5,000)	(0.15%)	--	--	--	--
Rameshwar Dayal Goyal HUF	4,500	0.13%	(4,500)	(0.13%)	--	--	--	--
Mohan Goyal	257	0.01%	(257)	(0.01%)	--	--	--	--
DK Goyal HUF	542	0.02%	(542)	(0.02%)	--	--	--	--
Crest Capital Services Private Limited	100	Negligible	(100)	(Negligible)	--	--	--	--
Usha Devendra Goyal	2,75,400	8.20%	(2,75,400)	(8.20%)	--	--	--	--
Nitu Mohan Goyal	1,56,600	4.66%	(1,56,600)	(4.66%)	--	--	--	--
Hitsharan Babulal Goyal	1,50,500	4.48%	(1,50,500)	(4.48%)	--	--	--	--
Radha Hitsharan Goyal	1,50,000	4.47%	(1,50,000)	(4.47%)	--	--	--	--
Mohan Goyal	1,043	0.03%	(1,043)	(0.03%)	--	--	--	--
Dhananjay Financial Services Private Limited	2,46,200	7.33%	(2,46,200)	(7.33%)	--	--	--	--
<b>TOTAL (1)</b>	<b>19,59,487</b>	<b>58.36</b>	<b>(19,59,487)</b>	<b>(58.36)</b>	--	--	--	--
<b>(2) Acquirers</b>								
Patel Ghanshyambhai N	--	--	9,79,744	29.18%	4,36,449	13.00%	14,16,193	42.18%
Patel Pareshbhai Nanjibhai	--	--	9,79,743	29.18%	4,36,449	13.00%	14,16,192	42.18%
<b>TOTAL (2)</b>	--	--	<b>19,59,487</b>	<b>58.36</b>	<b>8,72,898</b>	<b>26.00%</b>	<b>28,32,385</b>	<b>84.36%</b>
<b>(3) Parties to the SPA other than (1)</b>								
Name of the party/ ies	--	--	--	--	--	--	--	--
<b>TOTAL (3)</b>	--	--	--	--	--	--	--	--

Shareholders' Category	Shareholding/ voting rights prior to the SPA/ acquisition and Offer		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding/ voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%
<b>(4) Public (Other than parties to the SPA and Acquirers)</b>								
a) FIs/ MFs/ FIIs/ Banks/ SFIs (Indicate names)	--	--	--	--	--	--	--	--
b) Others	13,97,813	41.64%	--	--	(8,72,898)	(26.00%)	5,24,915	15.64%
<b>TOTAL (4)</b>	<b>13,97,813</b>	<b>41.64%</b>	--	--	<b>(8,72,898)</b>	<b>(26.00%)</b>	<b>5,24,915</b>	<b>15.64%</b>
<b>GRAND TOTAL</b>	<b>33,57,300</b>	<b>100.00%</b>	--	--	--	--	<b>33,57,300</b>	<b>100.00</b>

**Notes:**

- i. There are 2051 Public Shareholders.
  - ii. As on date of this DLoF, none of the Equity Shares are subject to lock-in.
  - iii. The Acquirers have not acquired any Equity Shares from the date of PA till the date of this DLoF.
- 5.12. The Promoters of the Target Company are not declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 5.13.1. There are various instances of delayed filing and non-filing in with respect to compliances of Regulations 29, 30 and 31 of the SEBI (SAST) Regulations, by the Promoters of the Target Company, the details of which are scheduled as below:

Sr. No.	SEBI (SAST) Regulation	Financial Year	Due Date of filing Report	Actual Date of filing Report	No. of days delay	Status of Compliance	Remarks
1.	Regulation 29 (2)	2014-2015	February 27, 2015	Not Filed	2493 days	Not Complied	Since the disclosure with respect to the said transaction was filed under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997, it is assumed that the said disclosures have not been filed under the relevant SEBI (SAST) Regulations
2.	Regulation 30	2013-2014	April 10, 2014	January 11, 2018	920 days	Non-Compliance	Belated compliance
3.		2014-2015	April 13, 2015	January 11, 2018	679 days	Non-Compliance	Belated compliance
4.		2015-2016	April 12, 2016	January 11, 2018	432 days	Non-Compliance	Belated compliance
5.		2016-2017	April 12, 2017	January 11, 2018	187 days	Non-Compliance	Belated compliance
6.	Regulation 31	2019-2020*	June 01, 2020	November 20, 2021	537	Non-Compliance	Belated compliance
7.		2020-2021	April 12, 2021	November 20, 2021	222	Non-Compliance	Belated compliance

- 5.13.2. Further, pursuant to the preferential allotment undertaken by the Target Company in the Financial Year 2019, the Promoters of the Target Company had erroneously filed disclosure under Regulation 29 (1) of the SEBI (SAST) Regulations, instead of filing of disclosure under Regulation 29 (2) of the SEBI (SAST) Regulations.
- 5.13.3. Due to the aforesaid violations, SEBI may initiate appropriate action against the Promoters of the Target Company for the aforesaid violation in terms of the SEBI (SAST) Regulations and provisions of the SEBI Act.
- 5.14. The closing market price of the Equity Shares of the Target Company as on the date of the PA, the trading day after the date of the PA was as below:

Particulars	Closing Market Price
Friday, December 17, 2021, being the date of PA	₹8.65/-
Monday, December 20, 2021, being the next Trading after date of PA	₹9.08/-

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1. Justification of the Offer Price

- 6.1.1. The Equity Shares having International Securities Identification Number 'INE290E01011' are presently listed on BSE. Further, the Equity Shares of the Target Company are placed under Group 'X' having a scrip code of '511702' and Scrip ID 'PARSHINV' on the BSE.
- 6.1.2. The total traded turnover in the Equity Shares of the Target Company on the BSE i.e. the nation-wide trading terminal based on trading volume during the twelve calendar months prior to the month of the PA (December 01, 2020 to November 30, 2021) is as given below:

Stock Exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of the PA (A)	Total No. of listed equity shares of the Target Company (B)	Total Traded Turnover (as % of total Equity Shares listed) (A/B)
BSE Limited	76,903 (Seventy-Six Thousand Nine Hundred and Three)	33,57,300 (Thirty-Three Lakhs Fifty-Seven Thousand and Three Hundred)	2.29%

(Source: [www.bseindia.com](http://www.bseindia.com))

Based on the above information available on the website of the BSE, the Equity Shares of the Target Company are infrequently traded Equity Shares within the meaning of explanation provided in Regulation 2 (1) (j) of the SEBI (SAST) Regulations.

- 6.1.3. The Offer Price has been determined considering the parameters as set out under Regulations 8 (1) and 8 (2) of the SEBI (SAST) Regulations, being highest of the following:

Sr. No.	Particulars	Price (In ₹ per Equity share)
1.	Negotiated Price under the SPA	₹7.00/-
2.	The Volume Weighted Average Price paid or payable for acquisitions by the Acquirers during 52 (Fifty-Two) weeks immediately preceding the date of the PA	Not Applicable
3.	Highest price paid or payable for acquisitions by the Acquirers during 26 (Twenty-Six) weeks immediately preceding the date of the PA	Not Applicable
4.	The Volume Weighted Average Market Price of shares for a period of 60 (Sixty) trading days immediately preceding the date of the PA as traded on BSE where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period	Not Applicable
5.	Where the Equity Shares are not frequently traded, the price determined by the Acquirers and the Manager taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of Equity Shares of such companies.	₹6.73/-*

\*FCA Akhilesh Kumar Bakliwal, registered valuer for Securities or Financial Assets, bearing registration number 'IBBI/RV/07/2020/13421', having office at B-203, Building No 4, Emp 75 Evershine Helios CHS Ltd, Evershine

*Millenium Paradise, Thakur Village, Kandivali (East), Mumbai – 400101, Maharashtra, India bearing email address 'akhilesh.bakiwal@yahoo.com' and contact number '+91-9920946706' has valued the Equity Shares of Target Company on the basis Net Asset Value method and calculated the fair value per share i.e. ₹6.73/- (Rupees Six and Seven Three Paise Only) per Equity Share vide his valuation report dated Friday, December 17, 2021.*

In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manger, the Offer Price of ₹7.00/- (Rupees Seven Only) per Equity Share being the highest of the prices mentioned above is justified in terms of the provisions of Regulation 8 (2) of the SEBI (SAST) Regulations.

- 6.1.4. As on date of this DLoF, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers would comply with Regulation 18 and all other applicable provisions of SEBI (SAST) Regulations.
- 6.1.5. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8 (9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, reduction, etc. where the record date for effecting such corporate actions falls between the date of this DLoF up to 3 (Three) Working Days prior to the commencement of the tendering period of the Offer, in accordance with Regulation 8 (9) of the SEBI (SAST) Regulations.
- 6.1.6. In the event of any acquisition of Equity Shares by the Acquirers during the Offer period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8 (8) of the SEBI (SAST) Regulations. However, the Acquirers shall not acquire any Equity Shares after the 3<sup>rd</sup> (Third) Working Day prior to the commencement and until the expiry of the Tendering Period of this Offer.
- 6.1.7. As on the date of this DLoF, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (One) Working Day before the commencement of the Tendering Period in accordance with the provisions of Regulation 18 (4) of the SEBI (SAST) Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall: (i) make corresponding increase to the escrow amount (ii) make an announcement in the same newspapers in which this this Detailed Public Statement has been published; and (iii) simultaneously notify the BSE, the SEBI and the Target Company at its registered office of such revision.
- 6.1.8. If the Acquirers acquire Equity Shares during the period of 26 (Twenty-Six) weeks after the Tendering Period at a price higher than the Offer Price, the Acquirers would pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose Equity Shares have been accepted in the Open Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under SEBI (SAST) Regulations, or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares of the Target Company in any form.

## 6.2. Financial Arrangements

- 6.2.1. In terms of Regulation 25 (1) of the SEBI (SAST) Regulations, the Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of this Offer in full out of their own sources, and net-worth is calculated after deducting the borrowings made by the Acquirers from any bank and/ or financial institutions as envisaged. Kushal Chand Mehta, Proprietor of Kushal Mehta & Associates, Chartered Accountant bearing Membership Number '143687', and Firm Registration Number '138645W', having its office located at 230, 2<sup>nd</sup> Floor, Panchratna Building, Opera House, Charni Road (East), Mumbai – 400004, Maharashtra, India; with Email Address being 'cakushal2011@gmail.com' with contact number being '+91-9833122710' has vide certificates dated Friday, December 17, 2021 stated that sufficient resources are available with the Acquirers for fulfilling her obligations under this Offer in full.
- 6.2.2. The maximum consideration payable by the Acquirers to acquire up to 8,72,898 (Eight Lakhs Seventy-Two Thousand Eight Hundred and Ninety-Eight) Equity Shares at the Offer Price of ₹7.00/- (Rupees Seven Only), assuming full acceptance of this Offer would be ₹61,10,286.00/- (Rupees Sixty-One Lakhs Ten Thousand Two Hundred and Eighty-Six Only). In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account under the name and style of 'Parshinv Open Offer Escrow Account' with the Escrow Banker and have deposited

an amount of ₹62,00,000.00/- (Rupees Sixty-Two Lakhs Only), being more than 100% (One Hundred Percent) of consideration payable in this Offer, assuming full acceptance.

- 6.2.3. The Manager is authorized to operate the Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.4. Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager is satisfied about the ability of the Acquirers to fulfill its obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations.
- 6.2.5. In case of upward revision of the Offer Price and/ or the Offer Size, the Acquirers would deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18 (5) of the SEBI (SAST) Regulations, prior to effecting such revision.

## **7. TERMS AND CONDITIONS OF THE OFFER**

- 7.1. The LoF will be mailed to all those Public Shareholders of the Target Company whose names appear on the Register of Members and to the beneficial owners of the Equity Shares of the Target Company whose names appear on the beneficial records of the Depository Participant, at the close of business hours on Tuesday, January 25, 2022.
- 7.2. Accidental omission to dispatch the LoF or the non-receipt or delayed receipt of the LoF will not invalidate this Offer in anyway.
- 7.3. In terms of the provisions of Regulation 18 (9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in this Offer shall not be entitled to withdraw such acceptance.
- 7.4. **Locked-in Shares**  
  
None of the Equity Shares of the Target Company are subject to lock-in.
- 7.5. **Eligibility for accepting the Offer**
  - 7.5.1. The LoF shall be mailed to all the Public Shareholders and/or beneficial owners holding Equity Shares in dematerialized form whose names appear in register of Target Company as on Wednesday, February 09, 2022, the Identified Date.
  - 7.5.2. This Offer is also open to persons who own Equity Shares but are not registered Public Shareholders as on the Identified Date.
  - 7.5.3. All Public Shareholders and/or beneficial owners who own Equity Shares of the Target Company any time before the closure of this Offer are eligible to participate in this Offer.
  - 7.5.4. The Acquirers have appointed Link Intime India Private Limited, as the Registrar to the Offer, bearing SEBI Registration Number 'INR000004058', having their office located at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India, bearing contact number +912249186200, Email Address 'parshartiinvestment.offer@linkintime.co.in' and website 'www.linkintime.co.in'. The Contact Person Mr. Sumeet Deshpande can be contacted from 10:00 a.m. (Indian Standard Time) to 5:00 p.m. (Indian Standard Time) on working days (except Saturdays, Sundays, and all public holidays) on working days (except Saturdays, Sundays and all public holidays), during the Tendering Period of this Offer.
  - 7.5.5. The PA, the DPS, this DLoF, the LoF and the Form of Acceptance will also be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the LoF, all Public Shareholders including unregistered Public Shareholders, if they so desire, may download the LoF, the Form of Acceptance from the website of SEBI for applying in this Offer.
  - 7.5.6. Unregistered Public Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Public Shareholders.
  - 7.5.7. The acceptance of this Offer by the Public Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

- 7.5.8. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s)/beneficial owner(s) of Target Company.
- 7.5.9. The Acquirers, Manager, or the Registrar accept no responsibility for any loss of Equity Share certificates, Offer Acceptance Forms, and Share Transfer Deed, etc., during transit and the Public Shareholders of Target Company are advised to adequately safeguard their interest in this regard.
- 7.5.10. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirers in consultation with the Manager.
- 7.5.11. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of this Offer.

## 7.6. Statutory Approvals and conditions of the Offer

- 7.6.1. To the best of the knowledge and belief of the Acquirers, as on the date of this DLoF, there are no statutory or other approvals required for implementing the Offer. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such statutory approvals.
- 7.6.2. If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and FIIs) required and received any approvals (including from the RBI, the FIPB, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender their Equity Shares held by them in this Offer, along with other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer.
- 7.6.3. The Acquirers in terms of Regulation 23 of SEBI (SAST) Regulations, will have a right not to proceed with this Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS had appeared.
- 7.6.4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirers, or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Public Shareholders as directed by SEBI, in terms of the provisions of Regulation 18 (11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, the provisions of Regulation 17 (9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture. Further, where any statutory approval extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

## 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1. This Offer will be implemented by the Acquirers, through stock exchange mechanism as provided under the SEBI (SAST) Regulations and the SEBI circulars bearing reference number ‘CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015’, ‘CFD/DCR2/CIR/P/2016/131 dated December 09, 2016’ and ‘SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021’ and on such terms and conditions as may be permitted by law from time to time.
- 8.2. BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in this Offer.
- 8.3. The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Offer shall be available on the BSE, in the form of a separate window (**‘Acquisition Window’**).
- 8.4. For implementation of this Offer, the Acquirers have appointed Nikunj Stock Brokers Limited (**‘Buying Broker’**) through whom the purchases and settlements on account of this Offer would be made by the Acquirers. The contact details of the Buying Broker are as follows:

<b>Name</b>	Nikunj Stock Brokers Limited
<b>Address</b>	A-92, Gf, Left Portion, Kamla Nagar, 110 007 New Delhi, India
<b>Contact Details</b>	011-47030000-01
<b>Email Address</b>	info@nikunjonline.com

<b>Contact Person</b>	Mr. Pramod Kumar Sultania
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- 8.5. All the Public Shareholders who desire to tender their Equity Shares under this Offer would have to approach their respective stockbrokers (**‘Selling Broker’**), during the normal trading hours of the secondary market during the Tendering Period.
- 8.6. The Acquisition Window provided by the BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for dematerialized Equity Shares only.
- 8.7. The cumulative quantity tendered shall be displayed on the BSE’s website throughout the trading session at specific intervals by the BSE during Tendering Period.
- 8.8. Equity Shareholders can tender their Equity Shares only through a broker with whom the shareholder is registered as client (KYC Compliant).
- 8.9. Procedure for Equity Shares held in physical form**
- 8.9.1. In accordance with the Frequently Asked Questions issued by SEBI, ‘FAQs – Tendering of physical shares in buyback offer/ open offer/ exit offer/ delisting dated February 20, 2020’ and SEBI circular bearing reference number ‘SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020’, shareholders holding securities in physical form are allowed to tender shares in the open offer through Tender Offer route. However, such tendering shall be as per the provisions of respective regulations.
- 8.9.2. Public Shareholders who are holding physical Equity Shares and intend to participate in this Offer shall approach Selling Broker. The Selling Broker should place bids on the BSE’s platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of Equity Shares etc.
- 8.9.3. After placement of order, the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein the along with the complete set of documents for verification procedures to be carried out, namely being: (a) original share certificate(s), (b) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company, (c) self-attested copy of the shareholder’s PAN Card, and (d) TRS, any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (Two) days from the closure of the Tendering Period latest by 5:00 PM (Indian Standard Time). The envelope should be superscripted as **‘Parshinv Open Offer’**. One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Selling Broker.
- 8.9.4. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (a) valid Aadhar Card; (b) Voter Identity Card; or (c) Passport.
- 8.9.5. Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for this Offer shall be subject to verification by the Registrar. On receipt of the confirmation from the Registrar, the bid will be accepted else rejected and accordingly the same will be depicted on the BSE platform.
- 8.9.6. Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.
- 8.9.7. Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of Equity Shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):



- a) Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired;
- b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s);
- c) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien, or encumbrance;

#### **8.10. Procedure for tendering the Equity Shares held in dematerialized form**

- 8.10.1. The Public Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker/ Seller Member, indicating details of Equity Shares they wish to tender in this Offer.
- 8.10.2. The Seller Member would be required to place a bid on behalf of the Public Shareholders who wish to tender their Equity Shares in this Offer using the Acquisition Window of the BSE Limited.
- 8.10.3. The lien shall be marked in demat account of the Eligible Public Shareholders for the Equity Shares tendered in this Offer. The details of Equity Shares marked as lien in the demat account of the Eligible Public Shareholders shall be provided by Depositories to the Clearing Corporation.
- 8.10.4. In case, the demat account of the Eligible Public Shareholders is held in one depository and clearing member pool and clearing corporation account is held with another depository, the Equity Shares tendered under this Offer shall be blocked in the Public Shareholders demat account at the source depository during the Tendering Period. Inter Depository Tender Offer ('IDT') instruction shall be initiated by the Public Shareholder at source depository to clearing member pool/ clearing corporation account at target depository. Source depository shall block the Public Shareholder's securities (i.e., transfers from free balance to blocked balance) and send IDT message to target depository for confirming creation of lien. The details of Equity Shares blocked in the shareholders demat account shall be provided by the target Depository to the Clearing Corporation.
- 8.10.5. For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- 8.10.6. Upon placing the order, the Seller Member shall provide a transaction registration slip generated by the exchange bidding system to the Eligible Public Shareholder on whose behalf the order has been placed. The TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 8.10.7. It is clarified that in case of dematerialized Equity Shares, non-receipt of the completed acceptance form and other documents, but if the lien is marked successfully in the depository system and a valid bid in the exchange bidding system, the tender for this Offer shall be deemed to have been accepted.
- 8.10.8. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorata (if applicable) decided by the Company.

#### **9. ACCEPTANCE OF EQUITY SHARES**

- 9.1. The Registrar shall provide details of order acceptance to Clearing Corporation within the specified timelines.
- 9.2. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

## **10. PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON-RECIPT OF THE LETTER OF OFFER**

- 10.1. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LoF, may also participate in this Offer.
- 10.2. A Public Shareholder may participate in this Offer by approaching their broker/ Selling Broker and tender Equity Shares in this Offer as per the procedure mentioned in the LoF.
- 10.3. The LoF along with acceptance form will be dispatched to all the eligible Public Shareholders of the Target Company, as appearing in the list of members of the Target Company. In case of non-receipt of the LoF, such eligible shareholders of the Target Company may download the same from the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) or obtain a copy of the same from the Registrar on providing suitable documentary evidence of holding of the Equity Shares.
- 10.4. The LoF along with the Form of Acceptance would also be available at website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and Public Shareholders can also apply by downloading such forms from the said website.
- 10.5. Alternatively, in case of non-receipt of the LoF, the eligible Public Shareholders holding the Equity Shares may participate in this Offer by providing their application in plain paper in writing signed by all the shareholder(s), stating name, address, number of Equity Shares held, client-ID number, DP name, DP-ID number, number of Equity Shares tendered and other relevant documents as mentioned in Paragraph 8.9 titled as '*Procedure for Equity Shares held in physical form*' at page 24 of this DLoF. Such eligible Public Shareholders have to ensure that their order is entered in the electronic platform of BSE, made available by BSE before the closure of the Tendering Period.

## **11. SETTLEMENT PROCESS AND PAYMENT OF CONSIDERATION**

- 11.1. Upon finalization of the basis of acceptance as per the SEBI (SAST) Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- 11.2. Details in respect of Public Shareholder's entitlement for this Offer shall be provided to Clearing Corporation by Company/ Registrar to the Offer. On receipt of the same, the Clearing Corporation will cancel excess or unaccepted blocked Equity Shares. On settlement date, all blocked Equity Shares mentioned in the accepted tender will be transferred to the Clearing Corporation.
- 11.3. In the case of IDT, Clearing Corporation will cancel the excess or unaccepted Equity Shares in target depository. Source depository will not be able to release the lien without a release of IDT message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with tender accepted detail as received from the Registrar to the Offer. Post receiving the IDT message from target depository, source depository will cancel/release excess or unaccepted block Equity Shares in the demat account of the Public Shareholder. Post completion of the Tendering Period and receiving the requisite details viz., demat account details and accepted tendered quantity, source depository shall debit the Equity Shares as per the communication/ message received from target depository to the extent of accepted tendered Equity Shares from the Public Shareholder's demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.
- 11.4. The Buying Broker will transfer the consideration pertaining to this Offer to the Clearing Corporation's bank account as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under this Offer, the Clearing Corporation will make direct funds pay-out to the respective Eligible Public Shareholders. If the bank account details of any Eligible Public Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or any other relevant Bank, due to any reasons, then the amount payable to the Eligible Public Shareholders will be transferred to the concerned Seller Member for onward transfer to such Eligible Public Shareholder holding Equity Shares in dematerialized form.
- 11.5. In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Public Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the tenders settled through custodians will be transferred to the settlement bank account of the

custodian, each in accordance with the applicable mechanism prescribed by the BSE Limited and the Clearing Corporation from time to time.

- 11.6. For the Eligible Public Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Public Shareholder's account. On settlement date, all blocked Equity Shares mentioned in accepted tender shall be transferred to Clearing Corporation.
- 11.7. The Equity Shares tendered in the dematerialized form would be transferred directly to the escrow demat account/ demat account of the Acquirer provided it is indicated by the Buying Brokers or it will be transferred by the Buying Broker to the demat escrow account/ demat account of the Acquirer on receipt of the Equity Shares from the clearing and settlement mechanism of BSE Limited.
- 11.8. Excess Equity Shares or unaccepted Equity Shares, in dematerialized form, if any, tendered by the Eligible Public Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Public Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Public Shareholder. The Public Shareholders of the demat Equity Shares will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of demat Equity Shares, due to rejection or due to non-acceptance in this Offer.
- 11.9. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance/ rejection will be returned back to the Eligible Public Shareholders directly by the Registrar to the Offer. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted are less than the Equity Shares tendered in this Offer by Eligible Public Shareholders holding Equity Shares in the physical form.
- 11.10. The Seller Member would issue contract note for the Equity Shares accepted under this Offer and will unblock the excess unaccepted Equity Shares. The Buying Broker would also issue a contract note to the Company for the Equity Shares accepted under this Offer.
- 11.11. Equity Shareholders who intend to participate in this Offer should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges, and expenses (including brokerage) that may be levied by the Seller Member for tendering Equity Shares in this Offer (secondary market transaction). Therefore, the Offer consideration received by the selling Eligible Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage). The Manager to the Offer and the Acquirers accept no responsibility to bear or pay any additional cost, applicable taxes, charges, and expenses (including brokerage) levied by the Seller Member, and such costs will be borne solely by the Eligible Public Shareholders.
- 11.12. In case of delay in receipt of any statutory approval(s), the SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure, or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as specified by the SEBI (including payment of interest in accordance with Regulation 18 (11) of the SEBI (SAST) Regulations grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Eligible Public Shareholders whose Equity Shares have been accepted in the Offer.

## **12. NOTE ON TAXATION**

- 12.1. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) or income received or deemed to be 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. 'Situs' of the shares is generally where a company is 'incorporated'. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be 'situated' in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- 12.2. 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). The IT

Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates.

- 12.3. 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. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.
- 12.4. Taxability of Capital Gain in the hands of the Public Shareholders:
  - 12.4.1. The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) 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 STT upon both acquisition and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the capital gains tax would be calculated on gains exceeding ₹1,00,000/- (Indian Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any capital gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.
  - 12.4.2. As per section 111A of the IT Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).
  - 12.4.3. Any applicable surcharge and education cess would be in addition to above applicable rates.
  - 12.4.4. In case of resident Equity Public Shareholders, in absence of any specific provision under the IT Act, the Acquirers shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. However, in case of non-resident Public Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealer's/ tax advisors appropriately.
  - 12.4.5. The tax implications are based on provisions of the IT Act as applicable as on date of this DLoF. In case of any amendment made effective prior to the date of closure of this Offer, then the provisions of the IT Act as amended would apply.
  - 12.4.6. Notwithstanding the details given above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws. The final tax liability of the Public Shareholder shall remain of such Public Shareholder and the said Public Shareholder will appropriately disclose the amounts received by it, pursuant to this Offer, before the Indian income tax authorities.
- 12.5. **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 EQUITY 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 AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.**

### 13. DOCUMENTS FOR INSPECTION

The copies of the following documents will be available for inspection at the registered office of the Manager, CapitalSquare Advisors Private Limited, located at 208, 2<sup>nd</sup> Floor, AARPEE Center, MIDC Road No. 11, CTS 70, Andheri (East), Mumbai - 400093, Maharashtra, India on any working day between 10:00 a.m. (Indian Standard Time) and 5:00 p.m. (Indian Standard Time) during the Tendering Period commencing from Wednesday, February 09, 2022, to Tuesday, February 22, 2022:

- 13.1. Memorandum and Articles of Association and Certificate of Incorporation of the Target Company;
- 13.2. Memorandum of Understanding between the Manager and the Acquirers;
- 13.3. The copy of Agreement between the Registrar and the Acquirers;
- 13.4. The net-worth certified vide certificate dated Friday, December 17, 2021, by Mr. Kushal Chand Mehta, Proprietor of Kushal Mehta & Associates, Chartered Accountant bearing Membership Number '143687', and Firm Registration Number '138645W', having its office located at 230, 2<sup>nd</sup> Floor, Panchratna Building, Opera House, Charni Road (East), Mumbai – 400004, Maharashtra, India; with Email Address being 'cakushal2011@gmail.com' with contact number being '+91-9833122710'; certifying that the Acquirers have sufficient resources available for the implementation of the Offer in full out of its own sources / financial commitment under this Offer in full.
- 13.5. Audited Annual Reports for the last 3 (Three) Financial Years ending March 31, 2021, March 31, 2020, and March 31, 2019 and Unaudited Financial Results with Limited Review Report for the six-months period ending September 30, 2021 of the Target Company.
  - 13.5.1. Bank Statement received from, Kotak Mahindra Bank Limited for required amount kept in the escrow account and marked lien in favor of Manager to Offer.
- 13.6. The copy of Share Purchase Agreement dated Friday, December 17, 2021, entered between the Promoters and the Acquirers, which triggered this Offer.
- 13.7. Copy of the PA dated Friday, December 17, 2021, and published copy of the DPS dated Monday, December 20, 2021, published on behalf of the Acquirers on Tuesday, December 21, 2021, in the newspapers.
  - 13.7.1. Copy of the recommendations to be published on Monday, February 07, 2022, by the Committee of Independent Directors of the Target Company.
- 13.8. Copy of SEBI Observation letter bearing reference number '[●]' dated [●].
- 13.9. Escrow Agreement between Acquirers, Escrow Bank, and Manager.

### 14. DECLARATION BY THE ACQUIRERS

For the purpose of disclosures in this DLoF relating to the Target Company, the Acquirers have relied on the information provided by the Target Company and has not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirers accepts full responsibility for the information contained in this DLoF. The Acquirers shall be responsible for ensuring compliance with the SEBI (SAST) Regulations.

**Date:** Friday, December 24, 2021  
**Place:** Mumbai

**On Behalf of the Acquirers**  
**Ghanshyambhai Nanjibhai Patel**  
Sd/-