

DRAFT LETTER OF OFFER

“THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION”

This draft letter of offer (“**Draft Letter of Offer**”/ “**DLOF**”) is sent to you as a Public Shareholder (*as defined below*) of BNK Capital Markets Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer / Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over the LOF and the accompanying Form of Acceptance (*as defined below*) to the member of stock exchange through whom the said sale was effected.

LEBNITZE REAL ESTATES PRIVATE LIMITED

Registered Office: 31, Netaji Subhas Road, Kolkata – 700 001; Tel: +91 33 6625 1000 / 1500
(hereinafter referred to as “**Acquirer**”)

MAKES A CASH OFFER TO ACQUIRE UP TO 26,00,000 (TWENTY SIX LAKH) FULLY PAID UP EQUITY SHARES HAVING FACE VALUE OF INR 10 (INDIAN RUPEES TEN ONLY) EACH (“EQUITY SHARES”), REPRESENTING 26% (TWENTY SIX PERCENT) OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF THE TARGET COMPANY, AT A PRICE OF INR 200 (INDIAN RUPEES TWO HUNDRED ONLY) PER EQUITY SHARE, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED (“SEBI (SAST) REGULATIONS”), FROM THE PUBLIC SHAREHOLDERS OF



BNK CAPITAL MARKETS LIMITED

A public limited company incorporated under the Companies Act, 1956
CIN: L34202WB1986PLC040542

Registered Office: Mayfair Towers, 2, Palm Avenue, Kolkata – 700 019; **Tel. No.:** +91 33 4602 2160-63 ; **Fax No.:** 033 2280 0457;
Email: corporate@bnkcapital.com; **Website:** www.bnkcapital.com

1. This Open Offer (*as defined below*) is being made by the Acquirer pursuant to and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations and other applicable regulations of the SEBI (SAST) Regulations.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory approvals required to complete the Underlying Transaction (*as defined below*) and implement the Open Offer, save and except as set out in Paragraph 7.4 (*Statutory and other Approvals*) of this DLOF. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained. Further, where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will 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.
5. The Acquirer shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days (*as defined below*) from the date of closure of the Tendering Period (*as defined below*), including payment of consideration to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
6. In case of delay in receipt of any statutory approval(s) mentioned in Paragraph 7.4 of this DLOF or any other statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.
7. An upward revision to the Offer Price or to the Offer Size (*as defined below*), 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 (*as defined below*) before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make an announcement in the same newspapers in which the DPS (*as defined below*) has been published; and (iii) simultaneously notify the Stock Exchanges (*as defined below*), the SEBI and the Target Company at its registered office of such revision.
8. The Acquirer may withdraw the Open Offer in accordance with the condition specified in Paragraph 7.4.5 of this DLOF. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (Two) Working Days (*as defined below*) of such withdrawal, make an announcement of such withdrawal, in the same newspapers in which the DPS (*as defined below*) had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and such announcement will also be sent to SEBI, Stock Exchanges and the Target Company at its registered office.
9. NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required (including without limitation, the approval from the RBI), if any, to tender the Equity Shares held by them in this Offer and submit such approvals/exemptions along with the documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
10. **There is no competing offer as on the date of this Draft Letter of Offer.**
11. **If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**
12. Copies of the Public Announcement (“**PA**”) and the Detailed Public Statement (“**DPS**”) are available and copies of the DLOF and the LOF (including Form of Acceptance) (*as defined below*) are expected to be available on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

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

Manager to the offer	Registrar to the Offer
 <p>Sumedha Fiscal Services Limited 6A, Geetanjali, 6th Floor, 8B Middleton Street, Kolkata – 700 071, West Bengal, India Tel: + 91 (33) 2229 8936/6758 ; Fax: +91 (33) 2226 4140 Contact Person: Mr Ajay K Laddha E-mail: mb_openoffer@sumedhafiscal.com Website: www.sumedhafiscal.com SEBI Registration Number: INM000008753 Validity Period: Permanent Registration</p>	 <p>C B Management Services (P) Limited P-22, Bondel Road, Kolkata-700 019, West Bengal, India Tel: + 91 33 4011 6700 / 6715; Fax: + 91 33 4011 6739 Contact Person: Mr Subhabrata Biswas Email: rta@cbmsl.com Website: www.cbmsl.com SEBI Registration No.: INR000003324 Validity Period: Permanent Registration</p>

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Date ⁽¹⁾	Day ⁽¹⁾
Date of the PA	March 30, 2021	Tuesday
Date of publication of the DPS	April 7, 2021	Wednesday
Date of filing of the DLOF with SEBI	April 16, 2021	Friday
Last date for public announcement for competing offer(s)	May 3, 2021	Monday
Last date for receipt of SEBI observations on the DLOF (in the event SEBI has not sought clarifications or additional information from the Manager)	May 10, 2021	Monday
Identified Date ⁽²⁾	May 12, 2021	Wednesday
Last date by which the LOF is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	May 20, 2021	Thursday
Last date for upward revision of the Offer Price and/ or the size of the Open Offer	May 25, 2021	Tuesday
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 Open Offer	May 25, 2021	Tuesday
Date of publication of opening of Open Offer public announcement in the newspapers in which the DPS has been published	May 27, 2021	Thursday
Date of commencement of the tendering period (" Offer Opening Date ")	May 28, 2021	Friday
Date of closure of the tendering period (" Offer Closing Date ")	June 10, 2021	Thursday
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	June 24, 2021	Thursday
Last date for publication of post-Open Offer public announcement in the newspapers in which the DPS has been published	July 1, 2021	Thursday
Last date for filing the post-Open Offer report with SEBI	July 1, 2021	Thursday

(1) *The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of relevant approvals, and may have to be revised accordingly.*

(2) *The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the LOF will be sent. It is clarified that all Public Shareholders holding Equity Shares are eligible to participate in the Open Offer at any time before the Offer Closing Date, subject to the terms and conditions mentioned in the DPS and the LOF.*

RISK FACTORS RELATING TO THE UNDERLYING TRANSACTION, THE PROPOSED OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER

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

A. Relating to the Underlying Transaction

- a. The Underlying Transaction is subject various conditions under the SPA, including (a) receipt of all statutory approvals as set out in paragraph 7.4 (*Statutory and other Approvals*) of this DLOF and those which become applicable prior to completion of the Open Offer; (b) the satisfaction or waiver of the various conditions under the SPA, including those conditions set out in paragraph 3.1.5 of this DLOF, and if these conditions are not satisfied or waived in accordance with the terms of the SPA, or if the SPA is terminated due to the occurrence of any of the events set out in paragraph 3.1.6 of this DLOF, the Underlying Transaction may be terminated.
- b. The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

B. Relating to the Offer

- a. This Offer is a mandatory open offer to acquire up to 26,00,000 (Twenty Six Lakh) Equity Shares, representing 26% (Twenty Six Percent) of the Voting Share Capital of the Target Company. 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 Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. Accordingly, there is no assurance that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted. The unaccepted Equity Shares will be returned to the Public Shareholders in accordance with the schedule of activities for the Open Offer.
- b. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer: (a) in the event that any of the statutory approvals specified in paragraph 7.4 (*Statutory and other Approvals*) of this DLOF or those which become applicable prior to completion of the Open Offer are finally refused; or (b) the satisfaction or waiver of the various conditions under the SPA, including those conditions set out in paragraph 3.1.5 of this DLOF; (c) the SPA not being terminated due to the occurrence of any of the events set out in paragraph 3.1.6 of this DLOF. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal, in the same newspapers in which the DPS had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and such announcement will also be sent to SEBI, Stock Exchanges and the Target Company at its registered office.
- c. If, (a) there is delay in receipt of any applicable statutory approvals; (b) there is any litigation leading to a stay on the Open Offer or a restriction on the Acquirer from performing its obligations hereunder; or (c) SEBI instructs the Acquirer to suspend the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares have been accepted in this Open Offer as well as return of the Equity Shares not accepted by the Acquirer may be delayed.

- d. In case of delay, due to non-receipt of statutory approval(s) in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not on account of any wilful default or negligence on the part of the Acquirer, grant extension for the purpose of completion of this Open Offer subject to the Acquirer agreeing to pay interest to the Public Shareholders, as may be specified by SEBI. Where the required statutory approvals apply to some but not all of the Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
- e. Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and / or the payment of consideration. The tendered Equity Shares and documents will be held in trust for the benefit of the Public Shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation/ Registrar to the Offer until such time the process of acceptance of tenders of Equity Shares under the Open Offer and the payment of consideration is completed. Once tendered, the Public Shareholders will not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.
- f. NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required (including without limitation, the approval from the RBI), if any, to tender the Equity Shares held by them in this Offer and submit such approvals/exemptions along with the documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under the general permission of the RBI, the non-resident Public Shareholders should state that the Equity Shares are held under such general permission. Further, NRIs, OCBs, and entities incorporated outside India and which are owned and controlled by NRIs should clarify whether the Equity Shares are held on a repatriable basis or non-repatriable basis.
- g. This DLOF/ LOF, together with the DPS and the PA in connection with the Offer has been prepared for the purposes of compliance with the applicable laws and regulations of India, including the SEBI Act and the SEBI (SAST) Regulations, and has not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLOF/ LOF who are resident in jurisdictions outside India should inform themselves of and comply with any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.
- h. Public Shareholders are advised to consult their respective stockbroker, legal, financial, investment or other advisors and consultants of their choosing, if any, for assessing further risks with respect to their participation in this Open Offer, and related transfer of Equity Shares of the Target Company to the Acquirer. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Open Offer, or in respect of any other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they

should take. The Acquirer and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in the LOF.

- i. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, DPS, DLOF, or in the advertisements or any corrigenda or any materials issued by or at the instance of the Acquirer or the Manager to the Offer in relation to the Open Offer. Notwithstanding the above, the Acquirer and the Manager to the Offer do not accept responsibility for the statements made and information with respect to the Target Company (which has been sourced from publicly available sources or from the Target Company), as set out in the PA, DPS, DLOF, or in the advertisements or any corrigenda or any materials issued by or at the instance of the Acquirer or the Manager to the Offer. Anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

C. Relating to Acquirer

- a. The Acquirer and Manager to the Offer make no assurance with respect to the continuation of the past trends in the financial performance or the future performance of the Target Company and disclaim any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in the Open Offer.
- b. The Acquirer and Manager to the Offer make no assurance with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- c. The Acquirer and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- d. Upon completion of the acquisition of the Sale Shares and the Offer Shares, if the shareholding of the Public Shareholders in the Target Company is below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with SEBI (LODR) Regulations, the Acquirer will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law. Any failure to comply with the conditions of aforesaid regulations could have an adverse effect on the price and tradability of the Equity Shares.
- e. Neither the Acquirer nor the Manager will be responsible in any manner for any loss of Offer acceptance documents during transit.
- f. 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 on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, viz. provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirer and the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOF in its final form were to be sent without material amendments or modifications into such jurisdiction, and the Public Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5% (Five Percent) of the voting rights of the Target Company, the Acquirer may refrain from sending the LOF into such jurisdiction. Provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date

or has not received the LOF, shall be entitled to tender such Equity Shares in acceptance of the Offer.

- g. The information pertaining to the Target Company contained in the PA or DPS or DLOF or any other advertisement/ publications made in connection with the Open Offer has been compiled from information published by the Target Company or provided by the Target Company or publicly available sources. The Acquirer and the Manager to the Offer do not accept any responsibility with respect to any misstatement by the Target Company in relation to such information.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Open Offer or in association with the Acquirer but are only indicative in nature. The risk factors set forth above pertain to the Open Offer and do not pertain 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 Public Shareholders in the Offer. Public Shareholders of the Target Company are advised to consult their stockbroker, tax advisors or investment consultant, for further risks with respect to their participation in the Open Offer.

DISCLAIMER FOR U.S. PERSONS

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

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES

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

CURRENCY OF PRESENTATION

In this DLOF, all references to “Rupees” or “INR” are references to the Indian Rupee(s) (“**INR**”).

In this DLOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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FORM OF ACCEPTANCE AND SHARE TRANSFER FORM

1. DEFINITIONS

Acquirer	Lebnitze Real Estates Private Limited
Board	Board of directors of the Target Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CSE	The Calcutta Stock Exchange Limited
Clearing Corporation	Indian Clearing Corporation Limited
Depositories	CDSL and NSDL
DLOF/ Draft Letter of Offer	This Draft Letter of Offer dated April 16, 2021 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
DPS/ Detailed Public Statement	Detailed public statement in connection with the Open Offer, published on behalf of the Acquirer on April 7, 2021 in the newspapers mentioned in Paragraph 3.2.2 of this DLOF
DIN	Director Identification Number
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
EPS	Earnings per share
Equity Share(s)	Fully paid up equity shares of Target Company of face value of INR 10 each
ESOPs	Employee stock options
Escrow Agreement	Escrow Agreement dated March 30, 2021 entered into between the Acquirer, Escrow Bank and Manager to the Offer
Escrow Bank	ICICI Bank Limited, acting through the Mumbai Branch located at Churchgate, Mumbai – 400 020
FEMA	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time
FII/FPI	Foreign Institutional Investor or Foreign Portfolio Investor as defined under FEMA
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
GAAR	General Anti Avoidance Rules
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the LOF would be sent.
IT Act	Income Tax Act, 1961
LOF/ Letter of Offer	Letter of Offer dated [●], duly incorporating SEBI's comments on the Draft Letter of Offer, and including the Form of Acceptance
Manager to the Offer/ Manager	Sumedha Fiscal Services Limited
Maximum Open Offer Consideration	The total funding requirement for this Offer, assuming full acceptance of this Offer, i.e. INR 52,00,00,000 (Indian Rupees Fifty Two Crore only)
MLI	Multilateral Instrument shall mean the Multilateral Convention to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting
N.A.	Not applicable
NOC	No Objection Certificate
NRI	Non-Resident Indian as defined under FEMA
NSDL	National Securities Depository Limited
OCB(s)	Erstwhile Overseas Corporate Bodies
Offer or Open Offer	Open Offer for acquisition of up to 26,00,000 Equity Shares being 26% of the Voting Share Capital of the Target Company at the Offer Price, payable in cash

Offer Price	INR 200/- (Indian Rupees Two Hundred only) per Equity Share payable in cash
Offer Shares	Up to 26,00,000 (Twenty Six Lakh only) Equity Shares
Offer Size	Up to 26,00,000 (Twenty Six Lakh only) Equity Shares being 26% of the Voting Share Capital of the Target Company
PA/Public Announcement	Public announcement dated March 30, 2021 issued by the Manager on behalf of the Acquirer, in connection with the Offer
Public Shareholders	All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the Acquirer, the promoters and members of the promoter group of the Target Company, and other persons deemed to be acting in concert with the Acquirer
RBI	Reserve Bank of India
Registrar to the Offer	C B Management Services (P) Limited
Indian Rupees or INR	Indian Rupees
Sale Shares	59,68,857 Equity Shares held by the Sellers, representing 59.69% of the Voting Share Capital
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 thereto
Sellers	Mr Ajit Khandelwal (“ Seller 1 ”), Mr Sanjeev Kumar Khandelwal (“ Seller 2 ”), M/s R S Khandelwal HUF (“ Seller 3 ”), Mrs Kalpana Khandelwal (“ Seller 4 ”), Mrs Sangita Khandelwal (“ Seller 5 ”), BNK Securities Private Limited (“ Seller 6 ”), Asian Securities Exchange Private Limited (“ Seller 7 ”), and Patrex Vyapaar Private Limited (“ Seller 8 ”)
SPA	The share purchase agreement dated March 30, 2021 executed between the Acquirer, the Sellers, and the Target Company
Stock Exchanges	Stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE Limited and The Calcutta Stock Exchange Limited
STT	Securities Transaction Tax
Target Company	BNK Capital Markets Limited
Tendering Period	Period expected to commence from May 28, 2021 and closing on June 10, 2021, both days inclusive
TRC	Tax Residence Certificate
TRS	Transaction Registration Slip
Underlying Transaction	The transaction as contemplated under the SPA
Voting Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis as of the 10th (tenth) Working Day from the closure of the tendering period for the Open Offer.
Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai

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

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF BNK CAPITAL MARKETS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES HIS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER – SUMEDHA FISCAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED APRIL 16, 2021 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”

2.1 General Disclaimer

This DLOF together with the PA dated March 30, 2021 and the DPS that was published on April 7, 2021 in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of the 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 Acquirer, 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 Acquirer or any persons deemed to act in concert with the Acquirer are under any obligations 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 the 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 THE OFFER

3.1 Background of the Open Offer

- 3.1.1 The Open Offer is a mandatory offer being made in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the proposed substantial acquisition of Equity Shares and voting rights in the Target Company by the Acquirer in accordance with and subject to the terms of the SPA executed between the Acquirer, the Sellers, and the Target Company on March 30, 2021.
- 3.1.2 On March 30, 2021 (“**Execution Date**”), the Acquirer entered into the SPA with Mr Ajit Khandelwal (“**Seller 1**”), Mr Sanjeev Kumar Khandelwal (“**Seller 2**”), M/s R S Khandelwal HUF (“**Seller 3**”), Mrs Kalpana Khandelwal (“**Seller 4**”), Mrs Sangita Khandelwal (“**Seller 5**”), BNK Securities Private Limited (“**Seller 6**”), Asian Securities Exchange Private Limited (“**Seller 7**”), Patrex Vyapaar Private Limited (“**Seller 8**” and together with Sellers 1 to 7 to be referred to as “**Sellers**”) and the Target Company for the purchase of Sale Shares (i.e., 59,68,857 Equity Shares held by the Sellers, representing 59.69% of the Voting Share Capital) for a total cash consideration of INR 1,19,37,71,400 (Indian Rupees One Hundred and Nineteen Crore Thirty Seven Lakh Seventy One Thousand and Four Hundred Only) at a price of INR 200 (Indian Rupees Two Hundred only) per Equity Share, by the Acquirer, subject to, and in accordance with the terms of the SPA (“**Underlying Transaction**”).
- 3.1.3 Upon completion of the Underlying Transaction (“**Completion**”), the Acquirer will be the largest shareholder of and have a controlling stake in the Target Company and shall be classified as a ‘Promoter’ of the Target Company in accordance with the applicable laws. Accordingly, as a consequence of the SPA, this Open Offer is a mandatory offer being made by the Acquirer in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011.
- 3.1.4 The SPA envisages that, from the Execution Date until the Completion or termination of the SPA, whichever is earlier, the Sellers shall procure that the Target Company:
- (i) undertakes its business in the ordinary course, and in compliance with all legal requirements (including Regulation 26 of the SEBI (SAST) Regulations); and
 - (ii) shall not undertake *inter alia* any of the following actions without the prior written instructions of the Acquirer, which instruction shall not be unreasonably withheld or delayed:
 - (a) declare any dividend;
 - (b) change its capital structure including any new issuances of securities;
 - (c) acquiring, or disposing, other than in the ordinary course of business, any material asset or material stock, in excess of specified thresholds;
 - (d) settle or initiate any litigation / proceeding which are in excess of specified thresholds other than litigations against debtors of the Target Company in the ordinary course of business.
- 3.1.5 Under the SPA, the obligation of the Acquirer to purchase the Sale Shares and to undertake other actions required of it at Completion, is conditional upon the Sellers and the Target Company satisfying *inter alia* the following conditions, unless the performance of any such conditions is waived in writing by the Acquirer:

- (i) The Sellers shall have caused the Target Company to apply for and receive, and the Target Company shall have applied for and received all consents, approvals, authorizations, etc. from any third party and any governmental authority, required under any contracts that the Target Company is a party to or required under applicable law, which *inter alia* include a prior approval from the Reserve Bank of India for sale of Sale Shares.
 - (ii) The Sellers / Target Company shall have applied for and obtained requisite consents, approvals or waivers required from third parties, as set out under the SPA.
 - (iii) The Sellers not being in material breach of the agreements, covenants, obligations, representations and warranties required by the Transaction Documents (*as defined in the SPA*) to be so performed or complied with by the Sellers, as applicable at or before the date of Completion.
- 3.1.6 The SPA can be terminated by the Acquirer only if the Sellers are restricted from selling the Sale Shares pursuant to directions of any Governmental Authority (*as defined in the SPA*) without any further action or deed.
- 3.1.7 The Sellers shall procure that on the date of Completion, the Target Company shall convene a meeting of its board of directors to inter alia approve the following:
- (i) Appointment of such number of additional directors on the board of the Target, as the Acquirer may determine.
 - (ii) Recording resignations of the directors appointed by the Sellers and / or the key personnel of the Target Company.
 - (iii) Change in name of the Target Company, as notified by the Acquirer.
- 3.1.8 The total consideration for SPA shall be paid in cash by the Acquirer. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the DPS and Letter of Offer.
- 3.1.9 The prime objective of the Acquirer is to acquire substantial holding through Equity Shares and voting rights, accompanied by acquisition of control of the Target Company. The Acquirer intends to position the Target Company for future growth and creation of value for its stakeholders. Following the completion of the Open Offer and Sale Shares, the Acquirer intends to change the board of directors and the management team of the Target Company.
- 3.1.10 The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 3.1.11 As on the date of this DLOF, there are no directors appointed by the Acquirer on the board of directors of the Target Company, and no directors of the Acquirer are on the board of directors of the Target Company.
- 3.1.12 Pursuant to Completion, the Acquirer has expressed its intention to have Mr Harish Toshniwal, Mr Sunil Kumar Sangneria, and Mr Sunil Bhandari appointed as directors of the Target Company.
- 3.1.13 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Open Offer, to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 (two) Working Days

before the commencement of the Tendering Period, in the same newspapers where the DPS was published.

- 3.1.14 Pursuant to completion of this Open Offer and Underlying Transaction, if the shareholding of the Public Shareholders in the Target Company is below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with the SEBI (LODR) Regulations, the Acquirer will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law.

3.2 Details of the proposed Offer

- 3.2.1 The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, was made on March 30, 2021 to the Stock Exchanges and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office. The PA is available on the website of SEBI at www.sebi.gov.in.

- 3.2.2 In accordance with Regulation 14(3) of SEBI (SAST) Regulations, the DPS was published in the following newspapers on April 7, 2021:

Newspapers	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Aajkaal	Bengali	Kolkata Edition
Mumbai Lakshadeep	Marathi	Mumbai Edition

The DPS was also submitted to SEBI and the Stock Exchanges and sent to the Target Company on April 7, 2021. The DPS is also available on the website of SEBI at www.sebi.gov.in.

- 3.2.3 This Open Offer is being made by the Acquirer to all the Public Shareholders of the Target Company to acquire up to 26,00,000 (Twenty Six Lakh) Equity Shares (“**Offer Shares**”), constituting 26% (Twenty Six Percent) of the Voting Share Capital (“**Offer Size**”), at a price of INR 200 (Indian Rupees Two Hundred only) per Offer Share (“**Offer Price**”), which has been calculated in accordance with Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations, aggregating to a total consideration of INR 52,00,00,000 (Indian Rupees Fifty Two Crore) (“**Maximum Open Offer Consideration**”), subject to the terms and conditions mentioned herein.
- 3.2.4 The Offer Price is the price arrived at in accordance with Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations, i.e. INR 200 (Indian Rupees Two Hundred only). The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 3.2.5 As on the date of this DLOF, there are no partly paid Equity Shares and there are no outstanding instruments in the nature of warrants or fully convertible debentures or partly convertible debentures/ preference shares/ employee stock options etc., which are convertible into Equity Shares at any later date. There is no differential pricing for this Offer.
- 3.2.6 This Open Offer is not a competing offer and there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations. This Offer is not conditional upon any minimum level of acceptance from the Public Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- 3.2.7 The Acquirer has not acquired any Equity Shares of the Target Company after the date of the PA, i.e. March 30, 2021 and up to the date of this DLOF.
- 3.2.8 All the Equity Shares validly tendered by the Public Shareholders of the Target Company in

this Open Offer will be acquired by the Acquirer at the Offer Price in accordance with the terms and conditions set forth in the DPS and the LOF. The Equity Shares to be acquired under the Open Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared from now on and hereafter. If the number of Equity Shares validly tendered by the Public Shareholders under the Open Offer is more than the Offer Size, the Acquirer shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager.

3.2.9 As on the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory approvals required to complete the Underlying Transaction and implement the Open Offer, save and except as set out in Paragraph 7.4 (*Statutory and other Approvals*) of this DLOF. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained. Provided that where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

3.3 **Object of the acquisition/Offer**

3.3.1 The prime objective of the Acquirer for undertaking the Proposed Transaction is to have substantial holding of Equity Shares and voting rights, accompanied by acquisition of control of the Target Company. The Acquirer intends to position the Target Company for future growth and creation of value for its stakeholders. As on the date of this DLOF, the Acquirer intends to continue the existing business of the Target Company.

3.3.2 Currently, the Acquirer does not have any intention to dispose of or otherwise encumber any material assets or investments of the Target Company or any of its subsidiaries, by way of sale, lease, encumbrance, reconstruction, restructuring or otherwise for a period of 2 (Two) years from the closure of this Open Offer except: (a) in the ordinary course of business; and (b) on account of regulatory approvals or conditions or compliance with any law that is binding on or applicable to the operations of the Target Company or its subsidiaries. If the Acquirer intends to alienate any material asset of the Target Company or its subsidiaries, within a period of 2 (Two) years from completion of the Open Offer, the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of SEBI (SAST) Regulations before undertaking any such alienation.

3.3.3 The Acquirer reserves the right to streamline/ restructure its holding in the Target Company and/ or the operations, assets, liabilities and/or businesses of the Target Company through arrangements, reconstructions, restructurings, buybacks, mergers, demergers, sale of assets or undertakings and / or re-negotiation or termination of existing contractual / operating arrangements, at any time after the date of this DLOF, post-acquisition of control over the Target Company by the Acquirer in accordance with applicable laws.

4. **BACKGROUND OF THE ACQUIRER**

4.1 **Lebnitze Real Estates Private Limited ("Acquirer")**

4.1.1 The Acquirer is a private limited company incorporated on February 20, 2012 under the Companies Act, 1956 bearing CIN U70109WB2012PTC174446. There has been no change in the name of the Acquirer since its incorporation.

4.1.2 The registered office of the Acquirer is located at 31, Netaji Subhas Road, Kolkata – 700001.

4.1.3 The Acquirer is primarily engaged in the real estate and real estate consultancy business.

- 4.1.4 The shares of the Acquirer are not listed on any stock exchanges.
- 4.1.5 The Acquirer is part of the RP-Sanjiv Goenka Group.
- 4.1.6 The issued and paid up equity share capital of the Acquirer as on the date of this DLOF is INR 6,01,00,000 comprising of 60,10,000 equity shares. Mr Sanjiv Goenka is in control of the Acquirer and set out below is the shareholding pattern of the Acquirer:

Sr. No.	Name of the shareholder	Number of shares	% of total issued shares
1.	RPSG Resources Private Limited	10,00,000	16.64
2.	Alipore Towers Private Limited	11,05,000	18.39
3.	Kutub Properties Private Limited	10,05,000	16.72
4.	Rainbow Investments Limited	11,00,000	18.30
5.	Sairam Vincom Private Limited	8,00,000	13.31
6.	Spotboy Tracom Private Limited	10,00,000	16.64
Total		60,10,000	100

- 4.1.7 No other person is acting in concert with the Acquirer for the purpose of this Open Offer. Some entities or persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations. However, neither such entities or persons nor any other entities or persons are acting in concert with the Acquirer for the purpose of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
- 4.1.8 Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer, as on the date of this DLOF, are as follows:

Name	Qualifications & Experience	Date of Appointment/Re-appointment
Sunil Bhandari Designation: Director DIN: 00052161	Qualifications: Chartered Accountant Experience: Sunil Bhandari joined the Acquirer as a director on February 20, 2012. He is a chartered accountant by profession. Mr Bhandari has more than 30 years of experience in managerial and directorial capacities, including in the financial services sector.	February 20, 2012
Harish Toshniwal Designation: Director DIN: 00060722	Qualifications: Chartered Accountant and Cost Accountant Experience: Harish Toshniwal joined the Acquirer as a Director on August 19, 2013. Mr. Toshniwal has about 30 years of experience in the field of finance and accounts. He has been responsible for finalising accounts and audit, tracking cash flow and interpreting financial statements, and has been instrumental in leading various mergers and	August 19, 2013

Name	Qualifications & Experience	Date of Appointment/Re-appointment
	acquisitions.	
Rajendra Dey Designation: Director DIN: 07011234	Qualifications: B. Com Experience: Rajendra Dey joined the Acquirer as a director on October 9, 2015. Mr Dey has about 20 years of experience in the field of accounts.	October 9, 2015

- 4.1.9 As on the date of this DLOF, (i) there are no directors representing the Acquirer on the board of the Target Company; and (ii) none of the directors of the Acquirer are on the board of directors of the Target Company. The Acquirer, its directors and key managerial employees do not have any shareholding or interest in the Target Company.
- 4.1.10 As on date of this DLOF, the Acquirer, its directors and key employees do not have any relationship with or interest in the Target Company except for the Underlying Transaction as detailed in paragraph 3 of this DLOF.
- 4.1.11 As on the date of this DLOF, the Acquirer has not been prohibited by SEBI from dealing in securities pursuant to any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 4.1.12 Neither the Acquirer nor any of its directors or key managerial personnel have been categorized or declared: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 4.1.13 The key financial information of the Acquirer based on its audited standalone financial statements as of and for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020, audited by the independent statutory auditor of the Acquirer, and the standalone financial statements for the nine month period ended December 31, 2020, which have been subject to limited review by the independent statutory auditor of the Acquirer, is as set out below:

In INR lakh, except per share data

Profit & Loss Statement	As at and for the nine months ended December 31, 2020	As at and for the financial year ended March 31, 2020	As at and for the financial year ended March 31, 2019	As at and for the financial year ended March 31, 2018
Income from operations	-	-	-	-
Other Income	557.87	661.26	0.07	-
Total Income	557.87	661.26	0.07	-
Total Expenditure	71.63	183.22	73.44	46.86
Profit Before Depreciation, Interest and Tax	486.24	478.04	(73.37)	(46.86)
Depreciation	67.33	89.43	89.40	89.40

Interest	4.52	13.33	89.75	79.71
Profit before tax	414.39	375.28	(252.52)	(215.97)
Provision for Tax	150.00	138.42	-	-
Profit After Tax	264.39	236.86	(252.52)	(215.97)

In INR lakh, except per share data

Balance Sheet Statement	As at and for the nine months ended December 31, 2020	As at and for the financial year ended March 31, 2020	As at and for the financial year ended March 31, 2019	As at and for the financial year ended March 31, 2018
Sources of funds				
Paid up share capital	17927.25	17927.25	4788.00	4788.00
Reserves and Surplus	1707.26	1442.86	(653.96)	(401.44)
Net worth	19634.51	19370.11	4134.04	4386.56
Secured loans	-	-	-	-
Unsecured loans	125.51	1125.51	1175.25	1070.25
Other Non-Current Liabilities	-	-	-	-
Total	19760.02	20495.62	5309.29	5456.81
Uses of funds				
Net fixed assets	5233.13	5299.56	5388.51	5477.91
Investments ⁽¹⁾	10120.29	8016.50	-	-
Other Non-Current Assets	-	-	-	-
Net current assets	4406.60	7179.56	(79.22)	(21.10)
Total	19760.02	20495.62	5309.29	5456.81

In INR lakh, except per share data

Other Financial Data	As at and for the nine months ended December 31, 2020	As at and for the financial year ended March 31, 2020	As at and for the financial year ended March 31, 2019	As at and for the financial year ended March 31, 2018
Dividend (%)	-	-	-	-
Earnings Per Share (INR)	4.40 ⁽²⁾	3.94	(4.20)	(3.59)
Return on Net worth (%)	1.35	1.22	(6.11)	(4.92)
Book Value Per Share (INR)	326.70	322.30	68.79	72.98

Notes:

⁽¹⁾ Investments includes long term loans and advances

⁽²⁾ Not annualized

4.1.14 As on date of this DLOF, the Acquirer does not have any contingent liabilities.

4.2 Details of the Sellers

4.2.1 The details of the Sellers are set out below:

Sr. No.	Name of the Seller	Nature of Entity/ Individual	Changes in the names in the past	Registered Office/ Residential Address	Part of promoter/ promoter group of the Target Company	Name of the Group	Name of the stock exchanges where their shares are listed	Shares or voting rights held in the Target Company before entering into the SPA	
								No of Equity Shares	% of the Voting Share Capital
1.	Mr Ajit Khandelwal ⁽¹⁾	Individual	NA	2, Palm Avenue, Kolkata 700019	Yes	NA	NA	23,50,488	23.50
2.	Mr Sanjeev Kumar Khandelwal ⁽¹⁾	Individual	NA	1A Armonia, 12 Mayfair Road, Kolkata 700019	Yes	NA	NA	15,15,113	15.15
3.	M/s R S Khandelwal HUF	Hindu Undivided Family ("HUF")	NA	2, Palm Avenue, Kolkata 700019	Yes	NA	NA	1,93,125	1.93
4.	Mrs Kalpana Khandelwal	Individual	NA	2, Palm Avenue, Kolkata 700019	Yes	NA	NA	27,550	0.28
5.	Mrs Sangita Khandelwal	Individual	NA	1A Armonia, 12 Mayfair Road, Kolkata 700019	Yes	NA	NA	27,550	0.28
6.	BNK Securities Private Limited	Private limited company	NA	2, Palm Avenue, Ground Floor, Kolkata – 700 019, West Bengal	Yes	NA	NA	12,73,781	12.74
7.	Asian Securities Exchange Private Limited	Private limited company	NA	5 Bowli Mondal Road Kolkata – 700026, West Bengal	Yes	NA	NA	4,91,250	4.91
8.	Patrex Vyapaar Private Limited	Private limited company	Please see note below.	1C/1, Mayfair Tower, 2, Palm Avenue, Ground Floor, Kolkata –	Yes	NA	NA	90,000	0.90

Sr. No.	Name of the Seller	Nature of Entity/ Individual	Changes in the names in the past	Registered Office/ Residential Address	Part of promoter/ promoter group of the Target	Name of the Group	Name of the stock exchanges where their	Shares or voting rights held in the Target Company before entering into the SPA	
				700 019, West Bengal					
Total								59,68,857	59.69

⁽¹⁾ This also includes Equity Shares held as partners of Brijnath Khandelwal & Co.

⁽²⁾ The name of the company was changed to Patrex Vyapaar Limited with effect from August 28, 2012. Thereafter, the name of the company was changed back to Patrex Vyapaar Private Limited with effect from March 29, 2019.

4.2.2 As on the date of this DLOF, the Sellers have not been prohibited by SEBI from dealing in securities pursuant to any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

5. BACKGROUND OF THE TARGET COMPANY

5.1 The Target Company is a public limited company incorporated on April 17, 1986 under the Companies Act, 1956, in the name of BNK Leasings Limited. Subsequently, the name of the Target Company was changed to BNK Capital Markets Limited on April 28, 1994. Thereafter, the name of the Target Company has not undergone any change. Its CIN is L34202WB1986PLC040542.

5.2 The registered office of the Target Company is located at Mayfair Towers, 2, Palm Avenue, Kolkata - 700 019.

5.3 The Target Company is a non-deposit taking non-banking finance company ("NBFC") registered with the RBI in terms of the certificate of registration dated December 9, 2004, bearing reference number B_05.02574 and is *inter alia* engaged in the business of investment, financing and other ancillary services including business auxiliary services.

5.4 The Equity Shares got listed on BSE on November 28, 1994 and on CSE on December 14, 1994. The Equity Shares are listed on BSE (Scrip code: 500069) and CSE (10012048). The ISIN of Equity Shares is INE418C01012.

5.5 As on date of this DLOF, the total authorized share capital of the Target Company is INR 12,50,00,000 (Indian Rupees Twelve Crore and Fifty Lakh only) comprising of 1,25,00,000 (One Crore and Twenty Five Lakh) Equity Shares. The total issued, subscribed and paid-up capital of the Target Company is INR 10,00,00,000 (Indian Rupees Ten Crore only) comprising of 1,00,00,000 (One Crore) Equity Shares. The equity share capital structure of the Target Company, as on the date of this DLOF, is as follows:

Paid up Equity Shares of Target Company	No. of Equity Shares/voting rights	% of Equity Shares/ voting rights
Fully paid up Equity Shares	1,00,00,000	100.00%
Partly paid up Equity Shares	-	-
Total paid up Equity Shares	1,00,00,000	100.00%
Total voting rights in Target Company	1,00,00,000	100.00%

5.6 As on the date of this DLOF, the Voting Share Capital is as follows:

Particulars	Number of shares	% of Voting Share
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		Capital
Fully paid up Equity Shares	1,00,00,000	100%
Partly paid up Equity Shares	Nil	Nil
Outstanding convertible instruments (such as depository receipts, fully convertible debentures or warrants)	Nil	Nil
Voting Share Capital	1,00,00,000	100.00%

- 5.7 As on the date of this DLOF, there are no partly paid Equity Shares and there are no outstanding instruments in the nature of warrants or fully convertible debentures or partly convertible debentures/ preference shares/ employee stock options etc., which are convertible into Equity Shares at any later date.
- 5.8 None of the Equity Shares of the Target Company are currently locked-in.
- 5.9 The Equity Shares are frequently traded on BSE (as on the date the public announcement pertaining to the Open Offer was required to be made), for the purposes of Regulation 2(1)(j) of the SEBI (SAST) Regulations (*Further details provided in Paragraph 6.1 below*).
- 5.10 The entire issued, subscribed and paid up share capital of the Target Company is listed on the Stock Exchanges and there are no outstanding Equity Shares of the Target Company that have been issued but not listed on the Stock Exchanges. As on the date of the DLOF, the Equity Shares of the Target Company are not suspended from trading from the Stock Exchanges. While trading of Equity Shares was suspended on CSE, however CSE vide notice dated April 1, 2021, had revoked suspension on trading of the Equity Shares on CSE and the Equity Shares have been admitted for dealing with effect from April 8, 2021.
- 5.11 Target Company has complied with the listing requirements and no penal/ punitive actions have been taken by the Stock Exchanges except for:
- 5.11.1 Imposition of fine of INR 2,36,000 (Indian Rupees Two Lakh Thirty Six Thousand Only) by BSE for late submission of financial results of the Target Company for the quarter ended March, 2018, under Regulation 33 of the SEBI (LODR) Regulations. The Target Company has made payment to the BSE.
- 5.11.2 Imposition of fine of INR 47,200 (Indian Rupees Forty Seven Thousand Two Hundred Only) by BSE towards late submission of related party transactions for the half year ended September, 2020, under Regulation 23(9) of SEBI (LODR) Regulations. The Target Company has made payment to the BSE.
- 5.11.3 The annual listing fee from the financial year 2013-14 till 2020-21 has not been paid by the Target Company as the listing fee invoice was not raised and no intimation was received by CSE, whereas all the applicable compliances was done by the Target Company. The Target Company was therefore suspended by CSE. On March 17, 2021 and March 18, 2021, all outstanding listing fees has been paid to CSE by the Target Company. CSE, vide notice dated April 1, 2021 has revoked the suspension on trading of the Equity Shares on CSE and the Equity Shares have been admitted for dealing with effect from April 8, 2021.
- 5.12 There have been no mergers/demergers/spin-offs involving the Target Company during the last 3 (Three) years.
- 5.13 Names, DIN, designation and date of appointment of the directors on the board of directors of the Target Company, are as follows:

Name	DIN	Date of Appointment	Designation
Ajit Khandelwal	00416445	April 17, 1986	Chairman & Managing Director
Sanjeev Kumar Khandelwal	00419779	June 27, 1995	Non- Executive Director
Ankit Khandelwal	03057891	January 30, 2015	Non- Executive Director
Heena Gorsia	07060485	January 30, 2015	Independent Director
Murari Lal Khetan	00009187	May 8, 2019	Independent Director
Dipendra Nath Chunder	07945181	October 16, 2017	Independent Director

- 5.14 As on the date of this DLOF, there are no directors representing the Acquirer and none of the directors of the Acquirer have been appointed as directors on the board of directors of the Target Company.
- 5.15 The Target Company or its promoters have not been declared as: (a) wilful defaulter by any bank or financial institution or consortium thereof; or (b) a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 5.16 The key financial information about the Target Company based on its audited consolidated financial statements for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020, audited by the independent statutory auditor of the Target Company, and its unaudited consolidated financial statements for nine month period ended December 31, 2020, which have been subject to limited review by the statutory auditor of the Target Company, is as set out below:

In INR lakh, except per share data

Profit & Loss Statement	As at and for the nine months ended December 31, 2020 ^	As at and for the financial year ended March 31, 2020 ^	As at and for the financial year ended March 31, 2019 ^	As at and for the financial year ended March 31, 2018 ^^
Income from Operations	2505.73	1856.40	1702.81	1066.61
Other Income	6.79	16.73	3.01	191.76
Total Income	2512.52	1873.13	1705.82	1258.37
Total Expenditure	1773.49	903.85	420.04	891.51
Profit/ (Loss) before Interest, Depreciation and Tax	739.03	969.28	1285.78	366.86
Depreciation	19.81	30.96	9.31	13.21
Interest	2.25	5.84	7.69	4.96
Minority Interest	-	-	-	0.20
Share of Profit /(Loss) of Associates	93.00	(231.66)	(23.33)	42.66
Profit on sale of Subsidiary	51.43	-	-	-
Profit/ (Loss) before Tax	861.40	700.82	1245.45	391.15
Provision for Tax	81.95	50.00	3.50	60.54

Profit/ (Loss) After Tax	779.45	650.82	1241.95	330.61
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In INR lakh, except per share data

Balance Sheet Statement	As at and for the nine months ended December 31, 2020[^]	As at and for the financial year ended March 31, 2020[^]	As at and for the financial year ended March 31, 2019[^]	As at and for the financial year ended March 31, 2018^{^^}
Sources of Funds				
Paid-up Share Capital	1000.00	1000.00	1000.00	1000.00
Reserves and Surplus (excluding revaluation reserves)	41582.81	21844.35	44123.53	44851.31
Net Worth	42582.81	22844.35	45123.53	45851.31
Financial Liabilities				
Trade Payable	2.17	18.74	19.12	111.10
Borrowings	24.79	30.16	137.63	1503.64
Other Financial Liabilities	20.47	1.04	1.00	1.09
Non Financial Liabilities				
Provisions	30.33	30.55	26.54	26.76
Deferred Tax Liabilities (Net)	31.64	-	312.56	-
Other Non Financial Liabilities	-	3.66	0.35	5.58
Non Controlling Interest	-	19.03	54.91	72.18
Total	42692.21	22947.54	45675.64	47571.66
Uses of Funds				
Financial Assets				
Cash & Cash Equivalents	1275.73	868.28	1324.32	656.23
Trade Receivables	37.29	31.95	34.35	168.26
Loans	4273.80	3412.72	3028.21	2587.34
Investments	36520.28	17356.87	40087.19	43121.44
Other Financial Assets	0.59	39.73	55.78	122.79
Non Financial Assets				
Inventories	391.43	258.22	265.30	19.53
Current Tax Assets (Net)	120.12	79.06	53.37	34.87
Deferred Tax Assets (Net)	-	16.40	-	28.42
Property, Plant and	65.11	82.87	20.33	27.64

Equipment				
Capital Work-in-Progress	-	-	0.59	-
Other Non Financial Assets	7.86	801.44	806.19	805.13
Total	42692.21	22947.54	45675.64	47571.66

In INR lakh, except per share data

Other Financial Data	As at and for the nine months ended December 31, 2020	As at and for the financial year ended March 31, 2020	As at and for the financial year ended March 31, 2019	As at and for the financial year ended March 31, 2018
Dividend (%)	-	25%	20%	15%
Earnings Per Share (INR)	7.79	6.51	12.42	3.31
Return on Net worth (%)	1.83	2.85	2.75	0.72
Book Value Per Share (INR)	425.83	228.44	451.24	458.51

Notes:

[^] Prepared as per Indian Accounting Standards (IndAS)

^{^^} Prepared as per Indian Generally Accepted Accounting Standards (IGAAP)

i) EPS = Profit after tax/number of outstanding equity shares at the close of the year/ period.

ii) Return on Networth = Profit after Tax/ Networth

iii) Book Value per Share = Networth/ No. of Equity Shares

5.17 The pre and post Offer shareholding pattern of the Target Company as on April 9, 2021, assuming full acceptances is as provided below:

Shareholders' category		Shareholding and voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer	
		(A)		(B)		(C)		(A)+(B)+(C) = (D)	
		No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
1	Promoters/ Promoter group								
A	Parties to the agreement, if any (i.e., the Sellers)	59,68,857	59.69	(59,68,857)	(59.69)	-	-	-	-
B	Promoters other than (A) above	NA	NA	NA	NA	NA	NA	NA	NA
	Total 1	59,68,857	59.69	-	-	-	-	-	-
2	Acquirer								
A	Acquirer	-	-	59,68,857	59.69	26,00,000	26.00	85,68,857	85.69
	Total 2	-	-	59,68,857	59.69	26,00,000	26.00	85,68,857	85.69

Shareholders' category		Shareholding and voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer	
		(A)		(B)		(C)		(A)+(B)+(C) = (D)	
		No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
3	Parties to agreement (other than under 1 or 2)	-	-	-	-	-	-	-	-
4	Public (other than under 1, 2 and 3)								
A	FIs/ MFs/ FPIs/ Banks, SFIs	-	-	-	-	(26,00,000)	(26.00)	14,31,143	14.31
B	Others	40,31,143	40.31	-	-				
	Total 4 (A+B+C)	40,31,143	40.31	-	-	(26,00,000)	(26.00)	14,31,143	14.31
	Grand Total (1+2+3+4)	1,00,00,000	100.00	59,68,857	59.69	-	-	1,00,00,000	100.00

The number of shareholders in the “public category” as on April 9, 2021 is 2003.

- 5.18 The Acquirer has not acquired any Equity Shares after the date of PA, i.e. March 30, 2021 and up to the date of this DLOF.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

- 6.1.1 The Equity Shares are presently listed on BSE (Security Code: 524000) and CSE (Symbol: s10012048). The ISIN of the Equity Shares of the Target Company is INE418C01012.

- 6.1.2 The annualized trading turnover of the Equity Shares of the Target Company during the 12 (Twelve) calendar months preceding the month of PA (i.e. March 2020 to February 2021) on the stock exchange on which the Equity Shares are traded is as detailed hereunder:

Stock Exchange*	Number of Equity Shares traded (“A”)	Total number of Equity Shares (“B”)	Trading turnover (as % of total equity shares) (A/B)
BSE	17,94,397	1,00,00,000	17.94

*The Equity Shares are also listed on CSE, however there was no trading on CSE during the relevant period under consideration.

(Source: www.bseindia.com)

- 6.1.3 Based on the above, the Equity Shares are frequently traded on the Stock Exchanges in accordance with Regulation 2(1)(j) of the SEBI (SAST) Regulations.

- 6.1.4 The Offer Price in terms of Regulations 8(1) read with 8(2) of the SEBI (SAST) Regulations, as disclosed in the PA, is INR 200/- (Indian Rupees seventy) per Equity Share, being the highest of the following parameters:

Sr No	Particulars	INR
A.	The highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer	200.00 per equity share
B.	The volume-weighted average price paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement	Not Applicable
C.	The highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the date of the public announcement	Not Applicable
D.	The volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded	109.55 per equity share
E.	Where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Not Applicable
F.	The per share value computed under sub-regulation (5), if applicable.	Not Applicable #

#Not applicable since this is not an indirect acquisition.

Source: Certificate issued by Jha Yadav & Co, Chartered Accountants (FRN: 327725E), dated March 30, 2021

- 6.1.5 The Offer Price of INR 200 per Offer Share represents the highest of the above parameters mentioned in the SEBI (SAST) Regulations. Jha Yadav & Co, Chartered Accountants (FRN: 327725E), vide their certificate dated March 30, 2021 have confirmed the aforementioned computation of the Offer Price. Accordingly, the Offer Price is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.
- 6.1.6 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, and 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.
- 6.1.7 In the event of any acquisition of Equity Shares by the Acquirer 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 Acquirer shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 6.1.8 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 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 Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make an announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously notify the Stock Exchanges, the SEBI and the Target Company at its registered office of such revision.

- 6.1.9 If the Acquirer acquires Equity Shares during the period of 26 (Twenty Six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Open Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.2 Financial Arrangements

- 6.2.1 The total funding requirement for the Open Offer, assuming full acceptance, i.e. for the acquisition of 26,00,000 (Twenty Six Lakh) Equity Shares, at the Offer Price of INR 200 (Indian Rupees Two Hundred only) is INR 52,00,00,000 (Indian Rupees Fifty Two Crore only).
- 6.2.2 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer and the Manager have entered into an escrow agreement with ICICI Bank Limited (acting through the Mumbai Branch located at Churchgate, Mumbai – 400 020, the “**Escrow Bank**”) on March 30, 2021 (“**Escrow Agreement**”), and the Acquirer has created an escrow account named “Lebnitze Escrow Account- Cash Open Offer BNK Capital” (“**Escrow Account**”) and a special escrow account named “Lebnitze Special Escrow Account – Cash Open Offer BNK Capital” for the purpose of Regulation 21 of SEBI (SAST) Regulations (“**Special Escrow Account**”).
- 6.2.3 By way of security for performance by the Acquirer of its obligations under the SEBI (SAST) Regulations, it has deposited INR 13,00,00,000 (Indian Rupees Thirteen Crore only) in the Escrow Account. The amount deposited in the Escrow Account is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of the SEBI (SAST) Regulations, i.e. 25% (Twenty Five Percent) of the first INR 500,00,00,000 (Rupees Five Hundred Crore only) of the Maximum Open Offer Consideration. The cash deposit has been confirmed by the Escrow Bank by way of a confirmation letter dated April 3, 2021.
- 6.2.4 The Acquirer has authorized the Manager to operate and realize the value of the Escrow Account and the Special Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5 The Acquirer has confirmed that it has adequate and firm financial resources to fulfil the obligations under the Open Offer and have made firm financial arrangements for implementation of the Open Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The source of funds to meet the obligations of the Acquirer under the Open Offer consists of internal accruals.
- 6.2.6 Jha Yadav & Co, Chartered Accountants (FRN: 327725E), vide their certificate dated March 30, 2021 certified that the Acquirer has adequate and firm financial resources through verifiable means to fulfill its obligations under the Open Offer.
- 6.2.7 Based on the aforesaid financial arrangements made by the Acquirer and on the

confirmations received from Jha Yadav & Co, Chartered Accountants (FRN: 327725E), the Manager is satisfied that firm arrangements have been put in place by the Acquirer to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

- 6.2.8 In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational Terms and Conditions

- 7.1.1 In terms of the schedule of activities, the Tendering Period for the Offer shall commence on Friday, May 28, 2021 and close on Thursday, June 10, 2021.
- 7.1.2 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Public Shareholders may tender their Equity Shares, in dematerialized form or physical form, in the Offer at any time from the commencement of the Tendering Period but prior to the Offer Closing Date. Subject to the receipt of the statutory approvals as specified in paragraph 7.4 of this DLOF, the Acquirer has up to 10 (Ten) Working Days from the Offer Closing Date to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 7.1.3 The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 7.1.4 The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Offer Shares. The Equity Shares tendered under this Offer shall be fully paid up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 7.1.5 The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer, which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.6 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period or thereafter.
- 7.1.7 This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.1.8 The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer. All the Equity Shares validly tendered under this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the LOF, to the extent of the Offer Size. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, then the Offer Shares

validly tendered by the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer.

- 7.1.9 Copies of PA and DPS are available on the website of SEBI at www.sebi.gov.in and copies of the DLOF and the LOF (including Form of Acceptance) are expected to be available on the website of SEBI (www.sebi.gov.in).
- 7.1.10 The Identified Date for this Offer as per the schedule of activities is Wednesday, May 12, 2021.
- 7.1.11 The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms of the Open Offer. The Public Shareholders can write to the Registrar to the Offer / Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of the Offer Closing Date. Alternatively, the Letter of Offer along with the Form of Acceptance will also be available at SEBI's website, www.sebi.gov.in, and the Public Shareholders can also apply by downloading such forms from the website.
- 7.1.12 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of Offer Closing Date.
- 7.1.13 None of the Acquirer, the Manager or the Registrar to the Offer accepts any responsibility for any loss of documents during transit (including but not limited to Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.14 The Acquirer reserves the right to revise the Offer Price and/or the Offer Size at any time prior to the commencement of 1 (One) Working Day before the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make an announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously notify the Stock Exchanges, the SEBI and the Target Company at its registered office of such revision. In case of any revision of the Offer Price, the Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Open Offer and accepted under the Open Offer in accordance with the terms of this DLOF.

7.2 **Locked-in Equity Shares**

The locked-in Equity Shares, if any, may be tendered in the Open Offer and transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer, as may be permitted under applicable law. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares.

7.3 **Eligibility for accepting the Offer**

- 7.3.1 All Public Shareholders, registered or unregistered, who hold Equity Shares at any time before the Offer Closing Date are eligible to tender such Equity Shares in this Open Offer (subject to the approvals that they may need to obtain as stated in Paragraph 7.4 of this DLOF).

7.3.2 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 i.e. the date falling on the 10th (Tenth) Working Day prior to the commencement of Tendering Period, 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 Open Offer. No indemnity shall be required from the unregistered shareholders. Incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected. Accidental omission to send LOF to any person to whom the Offer is made or the non-receipt or delayed receipt of the LOF by any such person will not invalidate the Offer in any way.

7.4 **Statutory and other Approvals**

7.4.1 As on the date of the DLOF, to the best of the knowledge of the Acquirer, an approval from RBI in terms of Notification No. DNBR.(PD) 029/CGM(CDS)-2015 dated July 09, 2015 is required to complete the acquisition of the Equity Shares under the SPA and the Open Offer ("**Statutory Approval**"). An application seeking such approval has already been filed with the RBI.

Except as mentioned above, as on the date of this DLOF, to the best knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete the acquisition of Sale Shares and the Open Offer. However, in case any further statutory or other approval becomes applicable prior to completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.

7.4.2 NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required, if any, to tender the Equity Shares held by them in this Offer, and submit copies of such approvals/exemptions along with the documents required to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. If the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

7.4.3 Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

7.4.4 In case of delay/non-receipt of any statutory approval which may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.

7.4.5 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer: (a) in the event that any of the statutory approvals specified in paragraph 7.4 (*Statutory and other Approvals*) of this DLOF or those which become applicable prior to completion of the Open Offer are finally refused; or (b) if any of the

conditions under set out in paragraphs 3.1.5 and 3.1.6 of this DLOF are not satisfied, resulting in the termination of the SPA, for reasons outside the reasonable control of the Acquirer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

- 7.4.6 Subject to the receipt of the statutory and other approvals, if any, the Acquirer shall complete payment of consideration within 10 (Ten) Working Days from the Offer Closing Date to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1 All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.

- 8.2 BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer ("**Designated Stock Exchange**").

8.3 Procedure for acceptance and settlement of the Offer

- 8.3.1 The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by BSE in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.

- 8.3.2 The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to the Open Offer shall be available on BSE in the form of a separate Acquisition Window.

- 8.3.3 The Acquirer has appointed Emkay Global Financial Services Limited ("**Buying Broker**") as its broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:



Emkay Global Financial Services Ltd

The Ruby, 7th Floor, Senapati Bapat Marg,
Dadar(West), Mumbai- 400028

Tel. No.: +91 22 6612 1212 / +91 22 6629 9253

Fax No.: +91 22 6612 1299

Contact Person: Mr Devang Desai

E-mail: devang.desai@emkayglobal.com

- 8.3.4 All Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stockbrokers ("**Selling Broker(s)**") during the normal trading hours of the secondary market during the Tendering Period.

- 8.3.5 A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. The Selling Broker can enter orders for physical and dematerialised Equity Shares. During the Tendering Period, the bid for selling the Equity Shares will be placed in the Acquisition Window by Public Shareholders through their respective Selling Broker during normal trading hours of the secondary market. The Buying Broker may also act as Selling Broker for Public Shareholders.

- 8.3.6 The cumulative quantity tendered shall be displayed on BSE's website (www.bseindia.com)

throughout the trading session at specific intervals by BSE during the Tendering Period.

- 8.3.7 Modification/cancellation of bids will not be allowed during the Tendering Period. Multiple bids made by single Public Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance.
- 8.3.8 The details of settlement number for early pay-in of Equity Shares shall be informed in the Offer opening circular that will be issued by BSE / Clearing Corporation, before the Offer Opening Date.
- 8.3.9 Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).
- 8.3.10 In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stockbroker, then that Public Shareholder can approach any BSE registered stockbroker and can make a bid by using quick unique client code ("**UCC**") facility through that BSE registered stockbroker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stockbroker then the Public Shareholder may approach Buying Broker viz. Emkay Global Financial Services Ltd, to bid by using quick UCC facility. The Public Shareholder approaching BSE registered stockbroker (with whom he does not have an account) / Buying Broker may have to submit following details:
- (i) In case of Public Shareholder being an individual:
- (a) If Public Shareholder is registered with KYC Registration Agency ("**KRA**"): Forms required:
- Central Know Your Client ("**CKYC**") form including Foreign Account Tax Compliance Act ("**FATCA**"), In Person Verification ("**IPV**"), Original Seen and Verified ("**OSV**") if applicable
 - Know Your Client ("**KYC**") form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
- (b) If Public Shareholder is not registered with KRA: Forms required:
- CKYC form including FATCA, IPV, OSV if applicable
 - KRA form
 - KYC form documents required (all documents self-attested):
 - Permanent Account Number ("**PAN**") card copy
 - Address proof
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)

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

(ii) In case of Public Shareholder, being a Hindu Undivided Family (“HUF”):

(a) If Public Shareholder is registered with KRA: Forms required:

- CKYC form of karta including FATCA, IPV, OSV if applicable
- KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)

(b) If Public Shareholder is not registered with KRA: Forms required:

- CKYC form of karta including FATCA, IPV, OSV if applicable
- KRA form
- KYC form documents required (all documents self-attested):
 - PAN card copy of HUF & karta
 - Address proof of HUF & karta
 - HUF declaration
 - Bank details (cancelled cheque)
- Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)

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

(iii) In case of Public Shareholder other than Individual and HUF:

(a) If Public Shareholder is KRA registered: Form required

- KYC form documents required (all documents certified true copy):
 - Bank details (cancelled cheque)
- Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution

- Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements
- (b) If Public Shareholder is not KRA registered: Forms required:
- KRA form
 - KYC form documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
 - FATCA, IPV, OSV if applicable
 - Latest list of directors/authorised signatories /partners/trustees
 - PAN card copies & address proof of directors/authorised signatories/ partners/trustees
 - Latest shareholding pattern
 - Board resolution/partnership declaration
 - Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements
 - Memorandum of association/partnership deed /trust deed

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

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

8.4 Procedure for tendering Equity Shares held in dematerialised form

8.4.1 Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.

8.4.2 The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE. Before placing the bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by BSE or the Clearing Corporation, prior to placing the order/bid by the Selling

Broker.

- 8.4.3 The Public Shareholders shall earmark / provide such early pay-in of the dematerialized Equity Shares to be tendered in the Offer (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular which will be issued by the Stock Exchange/ Clearing Corporation before the opening of the Offer, before any orders/bids are placed on their behalf by their respective Selling Brokers.
- 8.4.4 Upon placing the bid, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order/bid submitted like bid identification number, depository participant identification, client identification number, number of Equity Shares tendered, etc.
- 8.4.5 On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer. Modification/cancellation of orders will not be allowed during the Tendering Period.
- 8.4.6 For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.4.7 The duly filled in delivery instruction slips (“DIS”) specifying the appropriate market type in relation to the Open Offer, and execution date along with all other details should be submitted by the Public Shareholders to their respective depository participant/ Selling Broker so as to ensure that the Equity Shares are tendered in the Offer.
- 8.4.8 For resident Public Shareholders holding Equity Shares in dematerialized form, submission of Form of Acceptance and TRS is not mandatory, but are advised to retain the acknowledged copies of the DIS and TRS with them until the expiry of the Offer Period. After the receipt of the Equity Shares in dematerialized form by the Clearing Corporation and a valid bid in the exchange bidding system, the Equity Shares bid shall be deemed to have been accepted for Public Shareholders holding Equity Shares in dematerialized form.
- 8.4.9 The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance, unless required by their respective Selling Broker.
- 8.4.10 All non-resident Public Shareholders (i.e. Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public Shareholders holding Equity Shares in demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents to the Registrar to the Offer at its address given on the cover page of the LOF. The envelope should be super scribed as “BNK Capital Markets Limited– Open Offer”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.

8.5 Procedure for tendering the Equity Shares held in physical form

- 8.5.1 As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI’s press release dated December 3, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 1, 2019. However, in accordance with the circular issued by SEBI 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 an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, the procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below:

- 8.5.2 Public Shareholders who are holding Equity Shares in physical form and intend to participate in the Open Offer are requested to ensure that they hold and possess updated documents (including the share certificates). In this regard, the Public Shareholders may refer to the details provided on the websites of the Target Company (www.bnkcapital.com), the Registrar to the Offer (www.cbmsl.com), and the Manager to the Offer (www.sumedhafiscal.com) in connection with the share certificates. In case of any mismatch in details, the Public Shareholders are requested to approach the Registrar for next steps.
- 8.5.3 Public Shareholders who are holding Equity Shares in physical form and intend to participate in the Open Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out, including the (i) original share certificate(s), (ii) valid share transfer form(s), i.e Form SH-4, 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, (iii) self-attested copy of the shareholder's PAN Card, (iv) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/ joint Public Shareholders whose name(s) appears on the share certificate(s) in the same order in which they hold Equity Shares, and (v) 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.
- 8.5.4 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 Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.
- 8.5.5 Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a TRS generated by the BSE bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
- 8.5.6 The Selling Broker/ Public Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post / speed post or courier or hand delivery to the Registrar to the Offer i.e. C B Management Services (P) Limited (at the following address: P-22, Bondel Road, Kolkata- 700 019) within 2 (Two) days from the Offer Closing Date i.e. by June 10, 2021 (by 5.00 p.m. (IST)). The envelope should be super scribed as "BNK Capital Markets Limited – Open Offer". 1 (One) copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Selling Broker / Public Shareholder. For any reason, if the aforesaid documents are not received by the Registrar within the specified timelines, the bids for such Equity Shares will be rejected and the Acquirer, Manager to the Offer and Registrar will not be responsible in any manner.
- 8.5.7 The Public Shareholders holding Equity Shares in physical form should note that such Equity Shares will not be accepted unless the complete set of documents is submitted including share certificates reflecting the correct shareholding. Acceptance of the Equity Shares in physical form shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, they will be treated as 'confirmed bids'.

8.5.8 All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company / registrar of the Target Company.

8.5.9 In case any Public Shareholder has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of having the Equity Shares dematerialized is completed well in time so that they can participate in the Open Offer before the Offer Closing Date.

The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance.

8.6 Procedure for tendering the shares in case of non-receipt of LOF:

8.6.1 Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Offer.

8.6.2 A Public Shareholder may participate in the Open Offer by approaching their broker / Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in the LOF and the Form of Acceptance.

8.6.3 The LOF along with the Form of Acceptance will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company as on the Identified Date. A Public Shareholder receiving the LOF along with the Form of Acceptance through electronic mode will be entitled to be furnished with a physical copy of the said documents upon receipt of requisition, if any, by e-mail at rta@cbmsl.com or by a letter addressed to the Registrar to the Offer. In case of non-receipt of the LOF, such Public Shareholders may (i) download the same from the SEBI's website (www.sebi.gov.in) and can apply by using the same; or (ii) obtain a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Alternatively, you can download the soft copy from the Registrar's website (www.cbmsl.com).

8.6.4 Alternatively, in case of non-receipt of the LOF, Public Shareholders holding the Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares being tendered and other relevant documents as mentioned in the LOF. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Open Offer.

8.7 Acceptance of Equity Shares

8.7.1 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

8.7.2 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 Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.

8.7.3 In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

8.8 Settlement Process

8.8.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to BSE to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.

8.8.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

8.8.3 The Public Shareholders holding shares in dematerialized form will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC codes, keep their depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated acceptance.

8.8.4 For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to the demat account. If the relevant Public Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/ relevant bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

8.8.5 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.

8.8.6 For the Public Shareholder(s) holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Broker's settlement bank accounts for releasing the same to the respective Public Shareholder's account.

8.8.7 The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Offer.

8.8.8 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation. The Target Company is authorized to split the share certificate and issue a new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.

8.8.9 Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned by registered post back to the Public Shareholder(s) directly by Registrar to the

Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Public Shareholders'/ unregistered owners' sole risk to the sole/ first Public Shareholder / unregistered owner.

- 8.8.10 The direct credit of Equity Shares shall be given to the demat account of Acquirer as indicated by the Buying Broker.
- 8.8.11 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirer.
- 8.8.12 In case of partial or non-acceptance of orders, the balance Equity Shares in dematerialized form shall be returned directly to the demat accounts of the Public Shareholders by the Clearing Corporation. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- 8.8.13 Any Equity Shares that are: (i) subject matter of litigation; or (ii) held in abeyance or prohibited/ restricted from being transferred pursuant to any pending court cases / attachment orders / restriction from other statutory authorities; are liable to be rejected unless directions/ orders of an appropriate court/ tribunal/ statutory authority permitting the transfer of such Equity Shares are received together with the Equity Shares tendered under the Open Offer.
- 8.8.14 Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer.
- 8.8.15 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number to the Acquirer. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 8.8.16 Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer and the Manager accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 8.9 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulations 18 (11) and 18(11A) of the SEBI (SAST) Regulations, 2011.

9. NOTE ON TAXATION

THE INFORMATION PROVIDED BELOW SETS OUT THE INCOME-TAX IMPLICATIONS ON TENDERING OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE UNDER AN OPEN OFFER IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES UNDER THE TAX LAWS PRESENTLY IN FORCE IN INDIA. THE SUMMARY IS BASED ON THE CURRENT PROVISIONS OF THE INDIAN INCOME TAX LAWS AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE

ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS. THE FOLLOWING OVERVIEW IS NOT EXHAUSTIVE OR COMPREHENSIVE AND IS NOT INTENDED TO BE A SUBSTITUTE FOR PROFESSIONAL ADVICE.

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

THE LAW STATED BELOW IS AS PER THE IT ACT AS AMENDED UPTO FINANCE ACT, 2021.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS NOTE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

9.1 General:

- 9.1.1 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 of the following year.
- 9.1.2 A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.
- 9.1.3 A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India (including income deemed to be received in India).
- 9.1.4 Since the Target Company is incorporated in India, the Equity Shares are "situated" in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the IT Act.
- 9.1.5 Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is a tax resident subject to satisfying the relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of General Anti-Avoidance Rule ("GAAR") and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- 9.1.6 The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the shareholder, nature of the income earned, etc.
- 9.1.7 The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- 9.1.8 In addition to income tax, as the tendering of Equity Shares is being undertaken on the stock exchange, such transaction will be chargeable to Securities Transaction Tax ("STT"). STT is

payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.1% of the value of security transacted.

9.1.9 All references to equity shares herein refer to listed equity shares unless stated otherwise.

9.2 Classification of Shareholders

Shareholders can be classified under the following categories:

9.2.1 Resident Shareholders being:

- (i) Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
- (ii) Others
 - (a) Company
 - (b) Other than company

9.2.2 Non-Resident Shareholders being:

- (i) Non-Resident Indians (“NRIs”)
- (ii) Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- (iii) Others:
 - (a) Company
 - (b) Other than company

9.3 Classification of Shares

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

9.3.1 Shares held as investment: Income arising from transfer of shares taxable under the head “Capital Gains”

9.3.2 Shares held as stock-in-trade: Income arising from transfer taxable under the head “Profits and Gains from Business or Profession”

9.4 Taxability of Capital Gains in the hands of the Shareholders:

9.4.1 Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act and the rate of income-tax would depend on the period of holding.

9.4.2 **Period of Holding:** Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:

Short-term Capital Asset (“STCA”): Equity shares held for less than or equal to 12 (Twelve) months

Long-term Capital Asset (“**LTCA**”): Equity share held for more than 12 (Twelve) months

- 9.4.3 Accordingly, gains arising from transfer of a STCA are taxable as ‘Short-term Capital Gains’ (“**STCG**”). Gains arising from transfer of a LTCA are taxable as ‘Long-term Capital Gains’ (“**LTCG**”).
- 9.4.4 As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax (“**STT**”) has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT *vide* Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds INR 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.
- 9.4.5 As per Section 112A of the IT Act, LTCG will be computed without considering the indexation benefit as per provision of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act. In terms of Section 55 read with Section 112A of the IT Act, if investments were made on or before January 31, 2018, a method of determining the cost of acquisition of such investments has been specifically laid down such that gains up to January 31, 2018 are grandfathered. To clarify, if the equity shares on which STT is paid were acquired prior to January 31, 2018, the cost of acquisition of such shares should be higher of (a) actual cost of acquisition and (b) lower of (i) fair market value as on January 31, 2018 (highest quoted price on January 31, 2018 or immediately prior trading day if shares were not traded on January 31, 2018) and (ii) actual sale consideration.
- 9.4.6 If STT is not paid at the time of acquisition of the shares being acquired under the Open Offer and they do not fall within the exceptions identified under Notification No. 60/2018 dated October 1, 2018, then the entire LTCG arising to the shareholder shall be subject to tax @ 10% (plus applicable surcharge and cess) under Section 112 of the IT Act (or 20% (plus applicable surcharge and cess) after claiming indexation benefit which is relevant in case of resident shareholders.
- 9.4.7 STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- 9.4.8 As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- 9.4.9 Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders.

The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

- 9.4.10 As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years’ STCG as well as LTCG, in terms of Section

74 of the IT Act.

9.4.11 Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

9.4.12 Additional information in case of Foreign Institutional Investors ("FIIs"):

(i) As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.

(ii) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%,

(iii) Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding INR 1 lakh.

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

(iv) The above rates are to be increased by applicable surcharge and cess.

(v) Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.

(vi) The CBDT has *vide* Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

9.4.13 Additional Information in case of Non-resident Indians ("NRIs"):

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

(i) Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10 % (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.

(ii) Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within 6 (Six) months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 (three) years from the date of their acquisition.

(iii) Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his

return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

- (iv) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

9.4.14 Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of General Anti-Avoidance Rule (“GAAR”); and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

9.4.15 Investment Funds:

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

9.4.16 Mutual Fund

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

9.5 **Taxability of Business Income in the hands of the Shareholders:**

9.5.1 Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.

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

9.5.3 Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of General Anti-Avoidance Rule (“GAAR”); and (c) maintaining necessary information and documents as prescribed under the IT Act.

9.6 **Withholding Tax implications:**

9.6.1 Remittance/Payment of Consideration

(i) Resident shareholders:

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

With effect from 1 July 2021, Finance Act 2021 creates an obligation on the buyer of goods to withhold tax at the rate of 0.1% when buying goods from an Indian resident. The withholding obligation only exists where the consideration for goods exceeds INR 50,00,000 and the buyer had a business turnover of more than INR 10,00,00,000 in the immediately preceding year. The term “goods” has not been defined and may cover shares.

However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the resident shareholders.

Since the tendering of Equity Shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the resident shareholder given that practically it is not possible to withhold taxes and the Acquirer believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the custodians/ authorized dealers/ resident shareholders – with no recourse to the Acquirer. It is therefore recommended that the resident shareholders consult their custodians / authorized dealers / tax advisors appropriately. In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

The resident shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

(ii) Non-resident shareholders – FIIs

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

(iii) Non-resident shareholders (other than FIIs):

Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.

However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.

Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes and the Acquirer believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the custodians/ authorized dealers/ non-resident shareholders – with no recourse to the Acquirer. It is therefore recommended that the non-resident shareholders consult their custodians / authorized dealers / tax advisors appropriately. In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

The non-resident shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

9.6.2 Remittance/Payment of Interest

- (i) In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, to withhold tax, the same shall be basis the documents submitted along with the Form of Acceptance or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorisation of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

The shareholders must file their tax return in India *inter alia* considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

9.7 Documents to be provided alongwith the Form of Acceptance:

9.7.1 Resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit a self-attested copy of the PAN card, and any of the following documents, as may be applicable:

- (i) Certificate under Section 197 of the IT Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer;
- (ii) Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act;

- (iii) Self-declaration in Form 15G / Form 15H (in duplicate), (applicable in case of interest payment, if any);
- (iv) SEBI registration certificate as a mutual fund (applicable in case of interest payment, if any);
- (v) Documentary evidence (e.g. copy of relevant registration or notification) in support of the claim that the shareholder is a bank or entity covered in Section 194A(3)(iii) of the IT Act (applicable in case of interest payment, if any); and
- (vi) SEBI registration certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction under Section 197A (1F) of the IT Act (applicable in case of interest payment, if any).

9.7.2 Non-resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit the following documents, as may be applicable:

- (i) Self-attested copy of PAN Card; or
 - (a) name, e-mail id, contact number;
 - (b) address in the country or specified territory outside India of which the shareholder is a resident;
 - (c) Tax Residency Certificate;
 - (d) Form 10F; and
 - (e) Tax Identification Number/ Unique Identification Number of the shareholder.
- (ii) Tax Residency Certificate;
- (iii) Form 10F;
- (iv) Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA read with the provisions of MLI, including but not limited to a declaration of not having a permanent establishment in India and declaration of characterisation of income arising from the Open Offer;
- (v) Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer;
- (vi) Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act; and
- (vii) SEBI registration certificate for FII and FPI.

9.8 Tax Deduction Certificate

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

The final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with Acquirer.

9.9 Rate of Surcharge and Cess

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

9.9.1 Surcharge

- (i) In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds INR 10 crore and @ 7% where the total income exceeds INR 1 crore but less than INR 10 crore.
- (ii) In case of domestic companies liable to pay tax under section 115BAA or section 115BAB: Surcharge @ 10% is leviable.
- (iii) In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds INR 10 crore and @ 2% where the total income exceeds INR 1 crore but less than INR 10 crore.
- (iv) In case of individuals, HUF, AOP, BOI:
 - (a) Surcharge at the rate of 10% is leviable where the total income exceeds INR 50 lakh but does not exceed INR 1 crore.
 - (b) Surcharge at the rate of 15% is leviable where the total income exceeds INR 1 crore but does not exceed INR 2 crore.
 - (c) Surcharge at the rate of 25% is leviable where the total income exceeds INR 2 crore but does not exceed INR 5 crore.
 - (d) Surcharge at the rate of 37% is leviable where the total income exceeds INR 5 crore.
 - (e) However, for the purpose of income chargeable under section 111A, 112A and 115AD (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.
- (v) In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds INR 1 crore.

9.9.2 Cess

Health and Education Cess @ 4% is currently leviable in all cases.

9.10 Others

9.10.1 Notwithstanding the details provided above, all payments will be made to the shareholders subject to compliance with prevailing tax laws.

9.10.2 The tax deducted by the Acquirer while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.

9.10.3 The Acquirer will deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income-tax demand (including interest,

penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholder, such shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.

- 9.10.4 The Acquirer and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

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

THE JUDICIAL AND ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE 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

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT INCOME TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY STOCK EXCHANGES, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 09, 2016 AND BSE NOTICE NO. 20170202-34 DATED FEBRUARY 02, 2017, IN EACH CASE AS AMENDED FROM TIME TO TIME.

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

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

10. DOCUMENTS FOR INSPECTION

The following material documents will be available for inspection by the Public Shareholders of the Target Company at the office of the Manager to the Offer – Sumedha Fiscal Services Limited at 8B Middleton Street, 6A Geetanjali, 6th floor, Kolkata - 700 071 on any Working Day (except Saturdays and Sundays) between 10.30 am to 5.00 pm during the Tendering Period:

- 10.1 Certified copies of the memorandum and articles of association and certificate of incorporation of the Acquirer and the Target Company;
- 10.2 Copy of the SPA executed between the Acquirer, Sellers, and the Target Company on March 30, 2021;
- 10.3 Copies of the audited standalone financial statements of the Acquirer as of and for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020, audited by the independent statutory auditor of the Acquirer, and the standalone financial statements of the Acquirer for the nine month period ended December 31, 2020, which has been subject to limited review by the independent statutory auditor of the Acquirer;
- 10.4 Copies of the annual reports of the Target Company for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020, and the unaudited consolidated financial statements for the nine month period ended December 31, 2020, which have been subject to limited review by the statutory auditor of the Target Company;
- 10.5 Copy of the certificate dated March 30, 2021, issued by Jha Yadav & Co, Chartered Accountants (FRN: 327725E), certifying the adequacy of financial resources of the Acquirer to fulfill the Offer obligations;
- 10.6 Copy of the certificate dated March 30, 2021, issued by Jha Yadav & Co, Chartered Accountants (FRN: 327725E) certifying the computation of the Offer Price;
- 10.7 Copy of the Escrow Agreement;
- 10.8 Copy of the letter received from the Escrow Bank, confirming receipt of the requisite escrow amount in the Escrow Account on April 3, 2021;
- 10.9 Copy of PA dated March 30, 2021, the DPS published in the newspapers on April 7, 2021 and the offer opening public announcement;
- 10.10 Copy of the recommendation published on [●] by the committee of independent directors of the Target Company in relation to the Offer; and
- 10.11 Copy of SEBI Observation letter no. [●], dated [●], in regard to the DLOF.

11. DECLARATION BY THE ACQUIRER

- 11.1 The Acquirer, its directors in their capacity as directors of the Acquirer, accept the responsibility for the information contained in the PA, the DPS and this DLOF (other than as specified in Paragraph 11.3 below) and also for the obligations of the Acquirer, laid down in the SEBI (SAST) Regulations in respect of the Open Offer.
- 11.2 The Acquirer shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations as laid down in the SEBI (SAST) Regulations.
- 11.3 The information pertaining to the Target Company contained in the PA, the DPS, the DLOF or the LOF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company, which have not been independently verified by the Acquirer or the

Manager. The Acquirer does not accept any responsibility with respect to any information provided in the PA, the DPS, the DLOF or the LOF pertaining to the Target Company.

EXECUTED by the Acquirer

On behalf of **Lebnitze Real Estates Private Limited.**
(Acquirer)

Sd/-

Name: Rajendra Dey

Title: Director

Place: Kolkata

Date: April 16, 2021

ENCLOSURES:

1. *Form of Acceptance cum Acknowledgement.*
2. *Blank Share Transfer Form in the case of shares held in physical mode.*