

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

*This Letter of offer (LOO) is sent to you as shareholder(s) of Parnami Credits Limited. If you require any clarification about the action to be taken, you may please consult your stock broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in **Parnami Credits Limited**, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement ("Acceptance Form") and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.*

OPEN OFFER ("Offer")

BY

Ms. Rachana Singi (Acquirer)

Add: 43-B, Turf View, Seth Motilal Sanghi Marg, Opp. Nehru Centre, Worli, Mumbai 400018

Mobile No: +919820252985 **Email Id:** rachana@anikaapparels.com

to the public shareholders of

Parnami Credits Limited

(CIN:L65910MH1993PLC302405)

Registered Office: 310, V Star Plaza, Chandavarkar Road,
Borivali (West), Mumbai - 400091;

Tel No:+91 22 40235742; **Email:** parnamilimited@gmail.com

TO ACQUIRE

upto 18,06,900 equity shares of Rs. 10/- each, representing 25.99% of the post preferential paid up equity share capital of Target Company, as of the 10th working day from the closure of the tendering period, of Parnami Credits Limited (hereinafter referred to as ("**PCI/Target Company**"), at an Offer Price of Rs. 11.75/- (Rupees Eleven and Paise Seventy Five), including interest @ 10% per annum per equity share for delay in payment beyond the scheduled payment date (as defined hereinafter) per fully paid up Equity Share of Rs. 10 each, payable in cash and assuming that the date of payment of consideration for tendered and accepted shares is Monday, July 30, 2018.

ATTENTION:

1. This Offer is being made by the Acquirer pursuant to Regulations 3(1) and 4 of the SEBI (SAST) Regulations.
2. Target Company has received approval from RBI vide letter no. DNBS (MRO) 1 No. 2233/13.16.163/2017-18 dated June 18, 2018 for change in management control. The aforesaid approval is valid for six months. However, this Offer would be subject to all statutory approvals that may become applicable at a later date before the completion of the offer.
3. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
4. Upward revision or withdrawal, if any, of the Offer would be informed by way of a Public Announcement in the same newspapers and editions in which the original Detailed Public Statement had appeared. The Acquirer may revise the Offer Size and/or Offer Price at any time upto 3 working days prior to the commencement of the Tendering Period *i.e.* Thursday, June 28, 2018. Consideration paid by the Acquirer, will be at the same rate for all equity shares tendered anytime during the Offer.
5. **There was no competitive bid.**
6. **A copy of Public Announcement ("PA"), Detailed Public Statement ("DPS"), the Draft Letter of Offer(DLOF) and this Letter of Offer (LOO) along with Form of Acceptance cum Acknowledgement is also available on SEBI website: www.sebi.gov.in**

MANAGER TO THE OFFER



HEM SECURITIES LIMITED

CIN No.: U67120RJ1995PLC010390

904, A wing, 9th Floor, Naman Midtown,
Senapati Bapat Marg, Elphinstone Road,
Lower Parel, Mumbai 400 013

Tel No.: 022 49060041, **Fax No.:** 022 49060000

Email: adarsh.c@hemsecurities.com

Website: www.hemsecurities.com

Contact Person: Mr. Adarsh Chawla

SEBI Registration No.: INM000010981

Offer Opens on Tuesday, July 03, 2018

REGISTRAR TO THE OFFER



MAS SERVICES LTD

CIN No: U74899DL1973PLC006950

T - 34, IInd Floor, Okhla Industrial Area,
Phase - II, New Delhi 110020

Tel No.: 011 26387281, **Fax No.:** 011 26387384

Email: info@masserv.com

Website: www.masserv.com

Contact Person: Mr. N.C.Pal

SEBI Registration No.: INR000000049

Offer Closes on Monday, July 16, 2018

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

| Sr. No. | Activity | Day and Date | Revised Schedule (Day and Date) |
|---------|---|----------------------------------|----------------------------------|
| 1. | Date of Public Announcement (PA) | Thursday, February 08, 2018 | Thursday, February 08, 2018 |
| 2. | Date of publication of the Detailed Public Statement (DPS) | Friday, February 16, 2018 | Friday, February 16, 2018 |
| 3. | Last date for a competing offer | Wednesday, March 14, 2018 | Wednesday, March 14, 2018 |
| 4. | Identified Date* | Thursday, March 22, 2018 | Wednesday, June 20, 2018 |
| 5. | Date by which Letter of offer (LOO) will be dispatched to the Shareholders | Monday, April 02, 2018 | Tuesday, June 26, 2018 |
| 6. | Last date for upward revision of Offer Price and/or Offer Size | Tuesday, April 03, 2018 | Thursday, June 28, 2018 |
| 7. | Last date by which committee of Independent Director of the Target Company shall give its recommendation | Wednesday, April 04, 2018 | Friday, June 29, 2018 |
| 8. | Date of Publication of Offer Opening Public Announcement | Friday, April 06, 2018 | Monday, July 02, 2018 |
| 9. | Date of commencement of Tendering Period (Offer Opening Date) | Monday, April 09, 2018 | Tuesday, July 03, 2018 |
| 10. | Date of Closing of Tendering Period (Offer Closing Date) | Friday, April 20, 2018 | Monday, July 16, 2018 |
| 11. | Last Date of communicating rejection/acceptance and payment of consideration for applications accepted/ return of unaccepted share certificates/ credit of unaccepted Equity Shares to Demat Account. | Tuesday, May 08, 2018 | Monday July 30, 2018 |

** Date falling on the 10th Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders to whom the Letter of Offer shall be sent.*

RISK FACTORS

i. Risk in association with the Transaction and Offer

- To the best of knowledge of the Acquirer, except approval from Reserve Bank of India which has been obtained from RBI, Mumbai vide letter no. DNBS (MRO) 1 No. 2233/13.16.163/2017-18 dated June 18, 2018, as the Target Company is engaged in the business of Non-Banking Financial Institution without accepting public deposits, no other statutory approvals are required however; it will be subject to all statutory approvals that may become applicable at a later date. The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.
- In the event that (a) the regulatory approvals are not received in a timely manner; or (b) there is any litigation to stay the offer; or (c) SEBI instructs the Acquirer not to proceed with the offer, then the Offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of Parnami Credits Limited, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirer, may be delayed. The tendered equity shares and documents will be held by the Registrar to the Offer, until such time as the process of acceptance of such equity shares and the payment of consideration thereto is completed.
- In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- The equity shares tendered in the Offer will be held in trust in the pool account of the broker / in trust by the Clearing Corporation / Registrar to the Offer until the completion of the Offer (in accordance with the Regulations and other applicable laws, rules and regulations), and the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such equity shares until the completion of the Offer or withdrawal of the Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations. During such period there may be fluctuations in the market price of the equity shares. Accordingly, the Acquirer do not make any assurance with respect to the market price of the equity shares at any time, whether during or upon or after the completion of the Offer, and 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 Offer.
- Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period even if the acceptance of shares under the offer and dispatch of consideration gets delayed.
- In the event of over-subscription to the offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement, DPS or this Letter of Offer or in the advertisements or other materials issued by, or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information (not released by the Acquirer), would be doing so at his/her/their own risk.
- This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.
- The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, and the appropriate course of action that they should take. The Acquirer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
- This Offer is subject to completion risks as would be applicable to similar transactions.

ii. Risk in association with the Acquirer

- The Acquirer makes no assurance with respect to financial performance of the Target Company.
- The Acquirer makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.
- The Acquirer makes no assurance of market price of shares of the Target Company during or after the offer
- The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer (LOO) / Detailed Public Statement (DPS) / Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk
- The Acquirer does not accept the responsibility with respect to the information contained in PA or DPS or LOO that pertains to the Target Company and has been compiled from publicly available resources

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of Parnami Credits Limited or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of Parnami Credits Limited are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Shareholder's participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to “Rupees”, “Rs.”, “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India. In this Letter of Offer, any discrepancy in any table between the total and sums of amounts listed are due to rounding off and/or regrouping.

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1. DEFINITIONS/ABBREVIATIONS

| Sr. No | Term | Definition/Abbreviation |
|--------|---|--|
| 1. | Acquirer | Ms. Rachana Singi |
| 2. | Book Value Per Share | [Equity Capital + Free Reserve (excluding Revaluation Reserve)- Debit balance in Profit & Loss A/c - Misc expenditure not written off] / No. of Equity Shares issued |
| 3. | BSE | BSE Limited |
| 4. | CDSL | Central Depository Services (India) Limited |
| 5. | DIN | Director Identification Number |
| 6. | Depositories | CDSL and NSDL |
| 7. | DLOO | Draft Letter of Offer filed with SEBI on Monday, February 26, 2018 |
| 8. | DPS or Detailed Public Statement | Detailed Public Statement appeared in the newspapers on Friday, February 16, 2018 |
| 9. | Earnings Per Share / EPS | Profit after Tax available to Equity Shareholders / Weighted average no. of equity shares |
| 10. | Eligible Shareholders | All Equity Shareholders other than the Parties to the Agreement and persons deemed to be acting in concert with them |
| 11. | Equity Capital/Equity Share Capital | Rs. 3,35,28,000 comprising of 33,52,800 equity shares/voting rights of Rs. 10/- each of the Target Company |
| 12. | FEMA | Foreign Exchange Management Act, 1999, as amended |
| 13. | Form of Acceptance or FOA | Form of Acceptance - cum - Acknowledgement |
| 14. | Insider Trading Regulations | SEBI (Prohibition of Insider Trading) Regulations, 1992/2015 and subsequent amendments thereof |
| 15. | LOO or Letter of offer | The Letter of Offer dated June 25, 2018 , including the Form of Acceptance-cum-Acknowledgement |
| 16. | Manager to the Offer / Manager/Merchant Banker/ HSL | Hem Securities Limited |
| 17. | Networth | Equity Capital + Free Reserve (excluding Revaluation Reserve) -Debit balance in Profit & Loss A/c - Misc |

| Sr. No | Term | Definition/Abbreviation |
|--------|---|---|
| | | expenditure not written off |
| 18. | NSDL | National Securities Depository Limited |
| 19. | Offer/The Offer/Open Offer | To acquire upto 18,06,900 equity shares of Rs. 10/- each representing 25.99% of the post preferential paid up equity share capital, as of the 10 th working day from the closure of the tendering period, of PCL, at a price of Rs. 11.75/- (Rupees Eleven and Paise Seventy Five) per equity share (In compliance with Regulation 8 (2) read with Regulation 18(11) of SEBI (SAST) Regulations, 2011, the offer price of Rs 11.59 (Rupees Eleven and Paise Fifty Nine only) has been enhanced by Rs 0.16 per share, being the interest payable @ 10% per annum per Equity share for delay in payment beyond the scheduled payment date) |
| 20. | Offer Period | Period between the date of Public Announcement and the date on which payment of consideration to the Shareholders who have accepted the open offer, or the date on which the Offer is withdrawn, as the case may be |
| 21. | Offer Price | Rs. 11.75/- (Rupees Eleven and Paise Seventy Five) per equity share (In compliance with Regulation 8 (2) read with Regulation 18(11) of SEBI (SAST) Regulations, 2011, the offer price of Rs 11.59 (Rupees Eleven and Paise Fifty Nine only) has been enhanced by Rs 0.16 per share, being the interest payable @ 10% per annum per Equity share for delay in payment beyond the scheduled payment date) of the Target Company payable in cash |
| 22. | Offer Size | 18,06,900 equity shares of Rs. 10/- each representing 25.99% of the post preferential paid up equity share capital, as of the 10 th working day from the closure of the tendering period, of PCL at a price of Rs. 11.75/- (Rupees Eleven and Paise Seventy Five only) per equity share of Rs. 10/- each including interest @ 10% per annum per equity share for the delay in the payment beyond the Scheduled Payment Date, aggregating to Rs. 2,12,31,075/- (Rupees Two Crore Twelve Lakh Thirty One Thousand and Seventy Five Only) of the Target Company payable in cash |
| 23. | PAC | Person acting in concert |
| 24. | PAN | Permanent Account Number |
| 25. | Public Announcement or "PA" | Public Announcement of the Offer by the Acquirer, made as per SEBI (SAST) Regulations and sent on Thursday, February 08, 2018 by Merchant Banker to BSE Limited ("BSE"), Target Company at its Registered Office and to Securities and Exchange Board of India ("SEBI"), on behalf of the Acquirer. |
| 26. | RBI | Reserve Bank of India |
| 27. | Registrar or Registrar to the Offer | MAS Services Limited |
| 28. | Return on Net worth (%) | (Profit after Tax/ Networth)*100 |
| 29. | Rs/ Rupee/INR | Indian Rupee |
| 30. | SEBI | Securities and Exchange Board of India |
| 31. | SEBI (SAST) Regulations, 2011 / Takeover Regulation/SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof |
| 32. | SEBI Act | Securities and Exchange Board of India Act, 1992 |
| 33. | SEBI (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital |

| Sr. No | Term | Definition/Abbreviation |
|--------|-------------------------|--|
| | | and Disclosure Requirements) Regulations, 2009 and subsequent amendment thereto |
| 34. | Listing Regulations | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto |
| 35. | Scheduled Payment Date | June 12, 2018 (Tuesday), being the last date for payment of consideration under the offer in accordance with the timelines as stipulated in the SEBI (SAST) Regulations based on SEBI Observation letter date April 26, 2018 and May 15, 2018 |
| 36. | SCRR | Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto |
| 37. | Seller | Mr. Rakeshchand M Jain, being the party to SPA who is selling the shares under SPA and is mentioned under table on Point 3.1.2 as Seller. |
| 38. | Sellers's Equity Shares | 8,94,898 (Eight Lakh Ninety Four Thousand Eight Hundred and Ninety Eight) equity shares of Rs.10/- each, which represents 26.69% of Target Company to be sold under SPA |
| 39. | SPA | Share Purchase Agreement, entered into by Acquirer and Seller, dated Thursday, February 08, 2018 to acquire 8,94,898 equity shares of Rs. 10/- each representing 26.69% of the total paid up equity share capital / voting right of the TC and to acquire management control of Target Company |
| 40. | Target Company/TC/PCL | Parnami Credits Limited |
| 41. | Tendering Period | Period within which shareholders may tender their shares in acceptance of this Open Offer <i>i.e.</i> from Tuesday, July 03, 2018 to Monday, July 16, 2018 (both days inclusive) |
| 42. | Working Days | Working day of SEBI |

Note: All terms beginning with a capital letter used in this Letter of Offer, and not specifically defined herein, shall have the same 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 SHAREHOLDERS OF PARNAMI CREDITS 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 COMPANY WHOSE SHARES/CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, HEM SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MONDAY, FEBRUARY 26, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 This Open Offer is being made by the Acquirer to the equity shareholders of Parnami Credits Limited, in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 and other applicable provisions of pursuant SEBI (SAST) Regulations, 2011, which got triggered on account of following transactions (hereinafter referred as “**Underlying Transactions**”):

- a) A Share Purchase Agreement dated Thursday, February 08, 2018 between the Acquirer and Seller under which the Acquirer agreed to acquire 8,94,898 equity shares representing 26.69% of the existing total paid up equity share capital of the Target Company at a cash price of Rs. 9.40 per equity share aggregating to total consideration of Rs. 84,12,041 (Rupees Eighty Four Lakh Twelve Thousand Forty One Only).
- b) The Board of Directors of Target Company in their meeting held on Thursday, February 08, 2018 proposed to allot 36,00,000 (Thirty Six Lakh Only) equity shares of face value of Rs 10/- each by way of preferential allotment to the Acquirer, Ms. Rachana Singi; in terms of Section 62 read with Section 42 of the Companies Act, 2013 and subject to Compliance with applicable provisions of SEBI (ICDR) Regulations, 2009 as amended and subject to approval from shareholders of Target Company and other approvals if any, at a price of Rs. 10/- per equity share. The notice to the EGM held on 10.03.2018 was given on 16.02.2018. The Special resolution approving the allotment has been passed at the EGM held on 10.03.2018. The Exchange was also informed regarding the same within stipulated time. Presently, the acquirer holds 6,51,002 equity shares of Rs. 10/- each of the Target Company representing 19.42% of the existing paid up equity share capital of the Target Company. After the said preferential allotment and acquisition of shares through SPA, the acquirer will hold in aggregate 51,45,900 equity shares representing 74.01% of the post preferential paid up equity share capital of the Target Company.

3.1.2 A summary of the salient features of the SPA, which are all subject to detailed terms in the SPA, include the following:

- a. There is no non compete fees separately payable to the Seller.
- b. The Seller is the legal and beneficial owner of Equity Shares held by him.
- c. The Acquirer shall ensure compliance with the provisions of SEBI(SAST) Regulations, 2011. The SPA may be terminated upon the occurrence of any of the following events:
 - ✓ The Parties hereto agree that if they fail to comply with the provisions of the Takeover Regulations, the SPA shall not be acted upon by the Acquirer and/or Seller.
 - ✓ The Parties hereto agree that if the Acquirer does not receives the necessary statutory approvals, including the RBI Approval, for the acquisition of the Transfer Shares and change of management control in the Target Company and also subject to other statutory approvals as that may become applicable at a later date, the SPA shall not be acted upon.
 - ✓ The Promoter/Seller breaching or committing any default under any provision of the SPA (including any breach or inaccuracy of its representations and warranties under the SPA).

3.1.3 The Acquirer will continue in the existing line of business of the Target Company and any subsequent change in the line of activity shall be effected after taking the necessary approvals. However, depending on the requirements and expediency of the business situation and subject to the all applicable laws, rules and regulations, the Board of Directors of PCL will take appropriate business decisions from time to time in order to improve the performance of the Target Company.

- 3.1.4 Post proposed allotment through Preferential Issue and acquisition of Equity Shares pursuant to SPA(s), the Acquirer will have consolidated its holding and control in the Target Company and which has resulted in triggering of Regulation 3(1) and other applicable provisions of (SAST) Regulations.
- 3.1.5 This Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 3.1.6 The Acquirer, Seller and Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction u/s 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.
- 3.1.7 No other consideration/compensation, in cash or kind, whether directly or indirectly, is being given to the Seller apart from the consideration as stated in Point 3.1.1 (a) above.
- 3.1.8 There are no Persons Acting in Concert with the Acquirer for the purpose of this Offer within the meaning of regulation 2(1)(q) of the SEBI (SAST) Regulations, 2011.
- 3.1.9 As on date, the Acquirer has no intentions to change the Board of Directors of the Target Company and the Acquirer may change the Board of Directors of the company after successful completion of open offer formalities.
- 3.1.10 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, 2011, the Board of the Target Company is required to constitute a committee of Independent Directors, to provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period i.e. latest by 29.06.2018 in the same newspaper where the DPS of the Offer is published. The Target Company shall ensure compliance with the same.

3.2 Details of the proposed Offer

- 3.2.1 The Acquirer has made DPS in the following newspapers, namely i) **Business Standard (English)** (all editions), (ii) **Business Standard (Hindi)** (all editions) and (iii) **Aapla Mahanagar** (Marathi-Mumbai edition), which appeared on Friday, February 16, 2018. The PA and the DPS are also available on the SEBI website at www.sebi.gov.in
- 3.2.2 This Offer is being made, to all the public shareholders of the Target Company, other than the Acquirer and parties to the SPA, under Regulations 3(1) and 4 of SEBI (SAST) Regulations.
- 3.2.3 The Acquirer is making this Offer, pursuant to Regulations 3(1) and 4 of SEBI (SAST) Regulations, to acquire upto 18,06,900 equity shares of Rs. 10/- each representing 25.99% of the post preferential paid up equity share capital, as of the 10th working day from the closure of the tendering period, of Target Company(the "**Offer Size**"), at a price of Rs. 11.75/- (Rupees Eleven and Paise Seventy Five), in compliance with Regulation 8 (2) read with Regulation 18(11) of SEBI (SAST) Regulations, 2011 and SEBI letter no. SEBI/HO/CFD/DCR1/OW/P/2018/14344/1 dated May 15, 2018. aggregating to Rs. 2,12,31,075/- (Rupees Two Crore Twelve Lakh Thirty One Thousand and Seventy Five Only) ("**Offer Price**"), payable in cash and subject to the terms and conditions as set out in the Public Announcement ("**PA**"), Detailed Public Statement ("**DPS**") and Letter of Offer ("**LOF**"), that will be sent to the shareholders of the Target Company.
- 3.2.4 The Offer would be subject to the receipt of statutory and other approvals as mentioned in Section 7.14 of this LOO. In terms of regulation 23(1)(a) of SEBI (SAST) Regulations, 2011, if the statutory approvals are not received or are refused, the Offer would stand withdrawn.

- 3.2.5 The Offer is not conditional on any minimum level of acceptance by the equity shareholders of the Target Company in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 3.2.6 In terms of Regulation 23 of SEBI (SAST) Regulations in the event that any of the conditions stipulated in SPAs (detailed in Part 3.1.1(a) above - Background to the Offer) are not satisfied or are finally refused or are otherwise not met with for reasons outside the reasonable control of the Acquirer, this Offer shall stand withdrawn. In the event of such withdrawal, a Public Announcement shall be made within 2 (two) working days of such withdrawal, in the same newspaper in which this DPS has been published and such Public Announcement will also be sent to SEBI, BSE and to the Target Company at its Registered Office.
- 3.2.7 As of the date of this Letter of Offer, there is neither partly paid-up shares in the Target Company nor outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company.
- 3.2.8 As of the date of this Letter of Offer, the Manager to the Offer *i.e.* Hem Securities Limited, does not hold any equity shares in the Target Company in their own account. The Manager to the Offer further declares and undertakes that they will not deal in their own account in the equity shares of the Target Company during the Offer Period.
- 3.2.9 As on the date of PA, Acquirer holds 6,51,002 equity shares of Rs. 10/- each of the Target Company. However, the Acquirer has not acquired any equity shares of the Target Company after the date of Public Announcement till the date of this Letter of Offer.
- 3.2.10 There is no differential pricing for the shares proposed to be acquired under the open offer.
- 3.2.11 As per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Rules 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957, as amended (the "SCRR"), the Target Company is required to maintain at least 25% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance to this Offer, the Shareholding of Acquirer in the TC, would be 100%, therefore the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended. The Acquirer undertakes that she will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contract (Regulation) Rules, 1957 as amended, provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and the Regulation 7(4) and 7(5) of the SEBI (SAST) Regulations, 2011 and will reduce the non-public shareholding within the period mentioned therein.
- 3.2.12 Further, the Acquirer shall not be eligible to make a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2009, unless a period of twelve months have elapsed from the date of completion of the offer period as per regulation 7(5) of the SEBI (SAST) Regulations, 2011.

3.3 Object of the Acquisition/Offer

- 3.3.1 The object and purpose of the Acquirer is to achieve substantial acquisition of equity shares/ voting capital and obtain control over the Target Company by (a) acquisition of the equity shares held by the current promoter of the Target Company through SPA; (b) Preferential allotment of 36,00,000 equity shares of Rs. 10/- each of Target Company and (c) acquisition of equity shares through open offer made under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- 3.3.2 The Acquirer may in future streamline/ restructure its holding in the Target Company and/or the operations, assets, liabilities and/or business of the Target Company, through arrangements, reconstructions, restructurings, mergers, demerger, sale of assets or undertakings and/or renegotiation or termination of existing contractual /operating arrangements, at a later date. Such decisions will be taken in accordance with procedures set out by applicable law and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time and with approval of Board of Directors.
- 3.3.3 Under Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer does not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding 2 (two) year period from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and/or publicly announced by Target Company. The Acquirer undertakes that she will not restructure, sell, lease, dispose of or otherwise encumber any substantial assets of the Target Company or any of its subsidiaries in the succeeding 2 (two) years from the completion of this Offer, other than in the ordinary course of business and other than as already agreed, disclosed and/or publicly announced by the Target Company, except with the prior approval of the shareholders of the Target Company through a special resolution passed by way of postal ballot.

4. BACKGROUND OF MS. RACHANA SINGI, THE ACQUIRER

- 4.1. Ms. Rachana Singi is the Sole Acquirer and there are no persons acting in concert for the purpose of this Offer.
- 4.2. Ms. Rachana Singi, D/o Mr. Vijaykumar Agarwal, aged 39 years, is an Indian Resident residing at 43-B, Turf View, Seth Motilal Sanghi Marg, Opp. Nehru Centre, Worli, Mumbai 400018, Tel No. 9820252985; and Email: rachana@anikaapparels.com. She is a qualified Chartered Accountant from The Institute of Chartered Accountants of India and holds Bachelors Degree of Commerce from Sydenham College of Commerce and Economics in 1999. She has more than 20 years of diversified experience in the field of Strategic and Financial Planning.
- 4.3. CA Sanwariya Somani (Membership No. 146767, FRN. 135797W), Partner of S Somani & Associates, Chartered Accountants, having their office at C-101, Sai Shraddha 1 Chs Ltd, Shiv Vallabh Road, Dahisar (E), Mumbai 400068, has certified and confirmed *vide* certificate dated February 07, 2018 that the Networth of Ms. Rachana Singi as on November 30, 2017 is Rs. 4,43,65,000 (Rupees Four Crore Forty Three Lakh Sixty Five Thousand Only) and further also confirms that she has sufficient means to fulfil obligations under this Offer.
- 4.4. Details of entities in which the Acquirer is interested are as follows:

| Sr. No | Name of Entity | Status |
|--------|--|------------------------|
| 1 | Creative Textile Mills Private Limited | Non-Executive Director |
| 2 | Anika Apparels Private Limited | Promoter |

- 4.5. None of the entities mentioned above are participating or interested or acting in concert with the Acquirer in this Offer and are not listed on any of the stock exchanges.
- 4.6. Neither the Acquirer nor any of the Companies with whom the Acquirer is associated is/are in securities related Business and is registered with SEBI as a Market Intermediary.
- 4.7. Ms. Rachana Singi is not part of any group. There is no person acting in concert ("PAC") with the Acquirer or the purpose of this Open Offer in terms of Regulations 2(1)(q) of the SEBI (SAST) Regulations, 2011 and subsequent amendments thereto.

- 4.8. Ms. Rachana Singi currently holds 6,51,002 equity shares aggregating to 19.42% of total paid up equity share capital of the Target Company and is classified as a public shareholder in the target company.
- 4.9. Ms. Rachana Singi has acquired 6,51,002 equity shares of Target Company during the 12 months period prior to the date of the PA and has complied with all the applicable provisions of Chapter V of SEBI (SAST) Regulations, 2011.
- 4.10. The Acquirer will become the promoter of the Company, after completing the open offer formalities pursuant to the Regulations.
- 4.11. The Acquirer has not entered into any non-compete arrangement and/or agreement with the Seller.
- 4.12. She has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended, ("SEBI Act").
- 4.13. The Acquirer has not been categorized as 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.
- 4.14. The Acquirer shall not complete the acquisition of sale shares or control over the target company until the expiry of the tendering period in accordance with Regulation 22 (1) of SAST, 2011.
- 4.15. During the offer period, no person representing the Acquirer would be appointed on the Board of Target Company in accordance with Regulation 24(1) of SAST, 2011.

5. BACKGROUND OF THE TARGET COMPANY-PARNAMI CREDITS LIMITED

- 5.1 Parnami Credits Limited (hereinafter referred to as "PCL"), was originally incorporated as Private Company in the name of Parnami Credits Private Limited on July, 28, 1993 under the Companies Act, within the jurisdiction of Registrar of Companies, Delhi & Haryana. The company was subsequently converted into a public limited company and name was changed to "Parnami Credits Limited" *vide* fresh certificate of incorporation dated 16th May 1995 issued by the Registrar of Companies, N.C.T of Delhi & Haryana. The Corporate Identity Number of the Company is L65910MH1993PLC302405. The Company does not belong to any group.
- 5.2 There was no change in the name of the Company during last 3 (Three) years.
- 5.3 The registered office of the Target Company was shifted from State of Haryana to State of Maharashtra and a fresh certificate of registration confirming change of registered office was issued by Registrar of Companies, Mumbai on December 04, 2017. The current registered office of Target Company is located at 310, V Star Plaza, Chandavarkar Road, Borivali (West), Mumbai - 400 091, Maharashtra, India.
- 5.4 The Target Company is a Non Deposit Accepting Non Banking Financial Company registered with Reserve Bank of India *vide* Certificate of Registration bearing number B-13.02220 dated February 08, 2018.
- 5.5 The present promoter, Mr.Rakeshchand M Jain, had acquired majority stake and control over the Target Company in the FY 2015-16 and made Mandatory Offer (Open Offer) pursuant to SEBI (SAST) Regulations, 2011.
- 5.6 The authorized share capital of PCL is Rs. 7,00,00,000/- (Rupees Seven crore Only) comprising of 70,00,000 equity shares of Rs. 10/- each. The total issued, subscribed and paid-up equity share capital of the Target Company is Rs. 3,35,28,000 (Rupees Three Crore Thirty Five Lakh Twenty Eight Thousand Only) comprising of 33,52,800 equity shares of Rs. 10/- each. There are no outstanding warrants/ convertible securities or partly paid-up shares in the Target Company.

5.7 The main areas of operation of the Target Company as per its Memorandum of Association inter-alia includes:-

- To finance the hire purchase of buses, lorries, trucks cars and other passenger or goods carriers whether public or private, machinery, building, tractors, equipments, machineries and other articles or things to any person whether it be a body corporate or not.
- To carry on the business of financing on the selling or purchasing in any part of India or abroad all kinds of machinery, plant, tools, jigs and fixtures, agricultural machinery, vessels automobiles and vehicles of every kind and description, computers, office equipment of every kind construction machinery of all types descriptions, air, conditioning plants and electronic equipments of all kinds and description
- To carry on the business of financiers, against security or otherwise
- To render consultancy and advisory services to clients in the field of financing
- To lend money on any terms that may be thought fit and particularly to customers other persons or corporations having dealing with the company. The company shall not carry on any business of banking as defined under the Banking Regulation Act, 1949

5.8 The share capital structure of PCL is as follows:

| Paid up equity shares of Company | No. of shares/ voting rights | % of shares/ voting rights |
|---|-------------------------------------|-----------------------------------|
| Fully paid up equity shares | 3352800 | 100 |
| Partly paid up equity shares | - | - |
| Total paid up equity shares | 3352800 | 100 |
| Total voting rights in Company | 3352800 | 100 |

5.9 At present, the entire issued equity share capital of PCL i.e. 33,52,800 equity shares of Rs. 10/- each, are listed and traded at BSE Limited, Mumbai ("BSE") only. The shares of the Company have been placed under Stage-3 of the Graded Surveillance Measures (GSM) on BSE. Graded Surveillance Measures are introduced on securities which witness an abnormal price rise not commensurate with financial health and fundamentals like Earnings, Book value, Fixed assets, Net worth, P/E multiple, etc. At present, there are 6 stages defined under GSM framework viz. From Stage 1 to Stage 6. The Company under Stage-3 denotes that trading is permitted once a week and Additional Surveillance Deposit (ASD) 100% of trade value is to be deposited by the buyer (Every Monday).

5.10 Based on the trading information available on Stock Exchange, the equity shares of PCL are frequently traded at BSE within the meaning of Regulation 2(1)(j) of SEBI (SAST) Regulations, 2011.

5.11 As on date, trading of the equity shares is not currently suspended on BSE.

5.12 As on date of this LOO, there is no subsidiary or holding company of the Target Company.

5.13 There has been no merger, de-merger and spin off in the last three years in the Target Company.

5.14 There are no outstanding warrants/ convertible securities or partly paid up shares in the Target Company.

5.15 The composition of the Board of Directors of PCL is as follow:

| Name of Director | DIN No | Designation | Date of Appointment |
|---------------------------|---------------|---------------------------------|----------------------------|
| Rakeshchand Madanlal Jain | 00187350 | Managing Director | 15/03/2017 |
| Suryakant Khare* | 08133920 | Additional Independent Director | 26/05/2018 |
| Naresh Patade Vasant | 06706482 | Wholetime Director | 01/02/2014 |
| Meenal Baid | 07329215 | Independent Director | 15/03/2017 |

*Anil Khanna has resigned as an independent director w.e.f 14.05.2018 and Suryakant Khare has been appointed as additional Independent director

5.16 Acquirer is currently not on the Board of Directors of the Target Company.

5.17 The financial information of PCL based on the audited financial statements for the year ended March 31, 2015, March 31, 2016, March 31, 2017 and unaudited financial Statements (Limited Review by Statutory Auditors) for six months period ended September 30, 2017 are as follows:

Profit and Loss Statement

(Rs. in Lakh)

| Particular | Six Months Ended 30.09.2017 | Year Ended 31.03.2017 | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|---|--------------------------------|--------------------------|--------------------------|--------------------------|
| | (Unaudited)* | (Audited) | (Audited) | (Audited) |
| Income from Operations | 18.52 | 38.51 | 36.95 | 55.30 |
| Other Income | 0.00 | 0.00 | 0.00 | 0.10 |
| Total Income | 18.52 | 38.51 | 36.95 | 55.40 |
| Total Expenditure | 12.76 | 32.63 | 46.25 | 35.50 |
| Profit / (Loss) before Dep, Int, Exceptional Items and Tax | 5.76 | 5.88 | (9.30) | 19.90 |
| Depreciation | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 0.00 | 0.00 | 0.22 | 3.00 |
| Profit / (Loss) before Exceptional Items and Tax | 5.76 | 5.88 | (9.52) | 16.90 |
| Less: Exceptional Items | 0.00 | 4.14 | 4.24 | 4.76 |
| Profit/(Loss) before Tax | 5.16 | 1.74 | (13.76) | 12.14 |
| Provision for Tax | 1.71 | 1.82 | 0.85 | 6.22 |
| Income Tax for earlier Years | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit/(Loss) after Tax | 4.05 | (0.08) | (14.61) | 5.92 |

* As Limited Review by Statutory Auditors

Balance Sheet Statement

(Rs. in Lakh)

| Particulars | Six Months Ended 30.09.2017 | Year Ended 31.03.2017 | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|--|--------------------------------|--------------------------|--------------------------|--------------------------|
| | (Unaudited)* | (Audited) | (Audited) | (Audited) |
| EQUITY AND LIABILITIES | | | | |
| Shareholders' Funds | | | | |
| Paid up Equity Share Capital | 335.28 | 335.28 | 335.28 | 335.28 |
| Reserves & Surplus (Excluding Revaluation Reserve) | 107.96 | 103.90 | 103.98 | 118.59 |
| | | | | |
| Non-Current Liabilities | | | | |
| Long-term borrowings | - | - | - | - |
| Deferred Tax Liabilities (Net) | - | - | - | - |
| Other Long term liabilities | - | - | - | - |
| Long-term provisions | - | - | - | - |
| Current liabilities | | | | |
| Short-term borrowings | 35.07 | 1.00 | - | 29.45 |
| Trade payables | - | - | - | - |
| Other current liabilities | 5.52 | 4.50 | 1.34 | 1.94 |
| Short-term provisions | 11.02 | 8.64 | 7.49 | 11.83 |
| Networth | 443.24 | 439.18 | 439.26 | 453.87 |
| TOTAL | 494.85 | 453.32 | 448.09 | 497.09 |
| ASSETS | | | | |

| Particulars | Six Months Ended 30.09.2017 | Year Ended 31.03.2017 | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|-------------------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|
| | (Unaudited)* | (Audited) | (Audited) | (Audited) |
| Non-Current Assets | | | | |
| Fixed assets | 0.11 | 0.11 | 0.11 | 0.11 |
| Tangible assets | - | - | - | - |
| Intangible assets | - | - | - | - |
| Capital work-in-progress | - | - | - | - |
| Intangible assets under development | - | - | - | - |
| Fixed Assets held for sale | - | - | - | - |
| | | | - | - |
| Non-current investments | - | - | - | - |
| Deferred Tax Assets (Net) | - | - | - | - |
| Long-term loans and advances | - | - | 0.06 | 0.06 |
| Other non-current assets | 7.97 | 7.35 | 7.62 | 7.41 |
| | | | | |
| Current Assets | | | | |
| Current Investment | 0.03 | 0.03 | 0.03 | 0.03 |
| Inventories | - | - | - | - |
| Trade receivables | - | - | - | - |
| Cash and cash equivalents | 1.01 | 14.48 | 18.26 | 8.32 |
| Short-term loans and advances | 485.73 | 431.35 | 422.01 | 481.16 |
| Other current assets | - | - | - | - |
| | | | | |
| TOTAL | 494.85 | 453.32 | 448.09 | 497.09 |

* As Limited Review by Statutory Auditors

Other Financial Data

| Particulars | Six Months Ended 30.09.2017 | Year Ended 31.03.2017 | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|--|--------------------------------|--------------------------|--------------------------|--------------------------|
| | (Unaudited) | (Audited) | (Audited) | (Audited) |
| Dividend (%) | - | - | - | - |
| Earnings Per Share (Basic) (in Rs.) | 0.12 | | | 0.18 |
| Return on Networth (%) | 0.91% | (0.01%) | (3.32%) | 1.30% |
| Book Value Per Share (in Rs.) | 13.21 | 13.09 | 13.10 | 13.53 |

5.18 Pre and Post Offer shareholding pattern of the Target Company is as per the following table:

| S. No | Shareholder Category | Shareholding & Voting Rights prior to the agreement/ acquisition and Offer | | Shares/Voting Rights agreed to be acquired which triggered off the Regulations | | Shares/Voting Rights agreed to be acquired through Preferential Allotment | | Shares/Voting Rights to be acquired in the open offer (assuming full acceptance) | | Shareholding/Voting Rights after the acquisition and Offer | |
|-------|---|--|-------|--|---------|---|---|--|------|--|------|
| | | (A) | | (B) | | | | (C) | | (A+B+C) = (D) | |
| | | No. | % | No. | % | No. | % | No. | % | No. | % |
| 1 | Promoter Group | | | | | | | | | | |
| a | Parties to Agreement (Share Purchase Agreement) | | | | | | | | | | |
| | Rakeshchand M Jain (Seller) | 894898 | 26.69 | (894898) | (26.69) | | | 0 | 0.00 | 0 | 0.00 |
| b | Promoters other | 0 | 0.00 | 0 | 0.00 | | | 0 | 0.00 | 0 | 0.00 |

| | | | | | | | | | | | |
|---|--|----------------|----------------------------|-----------------|----------------|----------------|--------------|------------------|----------------|----------------|----------------------------|
| | than (a) above | | | | | | | | | | |
| | Total Promoter Group (1a+1b) | 894898 | 26.69 | (894898) | (26.69) | | | 0 | 0.00 | 0 | 0.00 |
| | | | | | | | | | | | |
| 2 | Acquirer | | | | | | | | | | |
| | Ms.Rachana Singi | 651002 | 19.42 | 894898 | 26.69 | 3600000 | 51.78 | 1806900 | 25.99 | 6952800 | 100.00 |
| | Total 2 | 651002 | 19.42 | 894898 | 26.69 | 3600000 | 51.78 | 1806900 | 25.99 | 6952800 | 100.00 |
| | | | | | | | | | | | |
| 3 | Parties to the Agreement other than 1 & 2 | 0 | 0.00 | | | | 0 | 0.00 | | 0 | 0.00 |
| | | | | | | | | | | | |
| 4 | Public | | | | | | | | | | |
| | a. Individual | 1579560 | 47.11 | | | | | (1806900) | (25.99) | 0 | 0.00 |
| | b.Bodies Corporate | 181174 | 5.40 | | | | | | | | |
| | c.FIs/MFs/FIIs/Banks/SFIs etc. | 0 | 0.00 | | | | | | | | |
| | d.Any other | 46166 | 1.38 | | | | | | | | |
| | Total 4 (a+b+c+d) | 1806900 | 53.89 | | | | | (1806900) | (25.99) | | |
| | Grand Total (1 to 4) | 3352800 | 100.00 ¹ | Nil | Nil | 3600000 | 51.78 | Nil | Nil | 6952800 | 100.00 ² |

Note: a. Based on Shareholding pattern filed with BSE for quarter ended December 31, 2017.

b. The data within bracket indicates sale of equity shares.

¹ - Percentage shareholding and total capital on the basis of pre-preferential paid up capital of the Company

² - Percentage shareholding and total capital on the basis of post-preferential paid up capital of the Company

5.19 As per the shareholding pattern for quarter ended March 31, 2018, filed with BSE, the number of shareholders in public category is 311 (Three Hundred and Eleven Only).

5.20 The Current Promoter of the Target Company, Mr.Rakeshchand M Jain has become promoter of the Target Company by acquiring management Control through Substantial acquisition of Equity Shares through Share Purchase Agreement entered by them with erstwhile promoters of the Target Company to acquire 93,100 equity shares representing 2.78% of the total paid up capital of the company and also through acquiring additional 2,00,200 Equity Shares representing 5.97% of the total paid up capital of the company under open offer made by them through Detailed Public Statement dated April 06, 2015, the said offer was opened on August 04, 2015 and closed on August 17, 2015 in compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 The equity shares of the Target Company are listed and traded only at BSE Limited.

6.1.2 The equity shares of the Target Company are frequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE. The annualized trading turnover of the equity shares traded during the twelve calendar months preceding February 2018, the month in which the Open Offer was triggered is as given below:

| Name of the Stock Exchange | Total no. of equity shares traded during the 12 calendar months preceding to February 2018 | Total no. of equity share listed | Traded Turnover (in terms of % to total listed shares) |
|----------------------------|--|----------------------------------|--|
| BSE Limited | 11,64,171* | 33,52,800 | 34.72% |

*Source: www.bseindia.com

- 6.1.3 The Offer Price of Rs. 11.59/- (Rupees Eleven and Paise Fifty Nine Only) per equity share of Rs. 10/- each is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, after considering the following facts:

| Sr. No | Particulars | Amount |
|--------|--|----------------|
| a. | Highest Negotiated Price per share for any acquisition under the Agreement attracting the obligation to make an Open Offer | 9.40 |
| b. | Volume weighted average price paid or payable by the Acquirer/PAC for acquisition during 52 weeks immediately preceding the date of Public Announcement | 9.39 |
| c. | Highest Price paid or payable by the Acquirer or PAC's for any acquisition during 26 weeks immediately preceding date of Public Announcement. | 11.59 |
| d. | Volume weighted average market price calculated as per Regulation 8(2)(d) for a period of 60 trading days preceding the date of Public Announcement, if shares are frequently traded | 9.39 |
| e. | The price determined by 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 |

It may be noted that in accordance with the directions of SEBI pursuant to their letter no: SEBI/HO/CFD/DCR1/OW/P/2018/14344/1 dated May 15, 2018, the payment in respect of all the valid acceptances in the Open Offer, shall be made along with an interest @ 10% per annum per Equity Share for the delay in payment beyond the Scheduled Payment date. For the purposes of clarification, it may be noted that an amount of ₹0.16 per Equity Share will be payable by way of interest to all the successful shareholders, whose shares are validly tendered and accepted in the offer, on the basis of current offer price, and assuming that the date of payment for such accepted shares is Monday, July 30, 2018. (Last date for making payment to the successful shareholders who have validly tendered their shares in the Open Offer). The final offer price is Rs. 11.75/- (Rupees Eleven and Paise Seventy Five) per equity share.

- 6.1.4 The Offer Price of Rs 11.75, in opinion of the Acquirer and Manager to the Offer is justified in terms of Regulations 8(2) read with Regulation 18(11) of SEBI (SAST) Regulations and SEBI letter no SEBI/HO/CFD/DCR1/OW/P/2018/14344/1 dated May 15, 2018. The Offer Price is denominated and payable in Indian Rupees only.
- 6.1.5 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.
- 6.1.6 As on date of this letter of offer, the offer price has been increased from Rs 11.59/- to Rs 11.75/- per equity share due to delay in receipt of approval from RBI. The Acquirer has modified and increased the amount in compliance with Regulation 18 and all other applicable provisions of SEBI(SAST) Regulations 2011. However, there has been no change in the number of shares for which the open offer has been made.
- 6.1.7 The Acquirer shall disclose during the offer period, every acquisition made by them of any equity shares of the Target Company, to the Stock Exchange and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6) of the SEBI (SAST) Regulations.
- 6.1.8 In case the Acquirer acquires or agrees to acquire any shares or voting rights in the Target Company during the offer period, subject to the conditions contained in the rules and regulations that are applicable to Non Banking Financial Institutions, whether by subscription or purchase, at a price higher than the Offer price, the offer price shall stand revised to the

highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations. However, the Acquirer shall not acquire any equity shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.

- 6.1.9 An upward revision to the Offer Price or to the Offer Size, if any, on account of future purchases/ competing Offer or otherwise, may be done, subject to the conditions contained in the rules and regulations that are applicable to Non Banking Financial Institutions, at any time prior to the commencement of the last 3 working days before the date of commencement of the Tendering Period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make further deposit into the Escrow Account; (ii) make a Public Announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such Public Announcement, inform BSE, SEBI and the Target Company at its Registered Office of such revision.
- 6.1.10 If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer as per the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company whether by way of bulk / block deals or in any other form.

6.2 FINANCIAL ARRANGEMENTS

- 6.2.1 Assuming full acceptance of this Offer, the total requirement of funds for this Offer aggregating to Rs. 2,12,31,075/- (Rupees Two Crore Twelve Lakh Thirty One Thousand and Seventy Five Only) ("**Offer Consideration**").
- 6.2.2 The Acquirer has adequate internal resources to meet the financial requirements of the Open Offer. No borrowings from any Bank/ Financial Institution or NRIs or otherwise is envisaged by Acquirer for the purpose of this open offer. The Acquirer has made firm arrangement for financial resources required to complete the Open Offer in accordance with Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition will be financed through their own internal resources.
- 6.2.3 In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, 2011 the Acquirer has opened an escrow account with Kotak Mahindra Bank Limited ("**Escrow Bank**") which is in the name and style of "**PCL-OPEN OFFER-HSL-ESCROW A/C**" having its branch at II-5C, Mittal Court, 224 Nariman Point, Mumbai - 400021 and have deposited an amount of Rs 53,07,769 (Rs. Fifty Three lakh seven thousand and seven hundred and sixty nine only) {(Rs. 52,35,493/- (Rupees Fifty Two Lakh Thirty Five Thousand Four Hundred Ninety Three Only) plus additional Rs 72,276 (Seventy Two Thousand two hundred and seventy six only) due to increase in offer size owing to delay in statutory approval from RBI} in cash which represents 25% of the Offer Consideration. The date of opening of the Escrow Account is 09.02.2018.
- 6.2.4 The Acquirer has duly empowered and authorized **Hem Securities Limited**, the Manager to the Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

- 6.2.5 CA Sanwariya Somani (Membership No. 146767, FRN. 135797W), Partner of S Somani & Associates, Chartered Accountants, having their office at C-101, Sai Shraddha 1 Chs Ltd, Shiv Vallabh Road, Dahisar (E), Mumbai 400068, has certified and confirmed *vide* certificate dated February 07, 2018 that the Acquirer has sufficient liquid funds to meet the financial obligations for the Open Offer under SEBI (SAST) Regulations, 2011.
- 6.2.6 Based on the above, the Manager to the Offer, hereby confirms that firm financial arrangements for fund and money for payment through verifiable means are in place to fulfil the obligations by the Acquirer under the Offer.
- 6.2.7 In case of any upward revision in the Offer Price or the size of this Offer, the Cash Escrow amount shall be increased by the Acquirer prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
- 6.2.8 In case the Acquirer acquires shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the offer price under these regulations, the Acquirer shall pay the difference between the highest acquisition price and the offer price, to all the shareholders whose shares were accepted in the open offer, within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an Open Offer under the SEBI (SAST) Regulations, or pursuant to Delisting Regulations, 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.

7. TERMS AND CONDITIONS OF THE OFFER

- 7.1 The Tendering Period will commence on Tuesday, July 3, 2018 and will close on Monday, July 16, 2018.
- 7.2 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
- 7.3 The Offer is being made to all Eligible Shareholders (i) whose names appear in the register of members of the Target Company at the close of business hours on Wednesday, June 20, 2018, *i.e.* the Identified Date, (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories as on the Identified Date and (iii) to persons who acquire Equity Shares before the closure of the Tendering Period and tender these Equity Shares into the Offer in accordance with this Letter of Offer. Persons who have acquired Equity Shares (irrespective of the date of purchase) but whose names do not appear on the register of members of the Target Company on the Identified Date are also eligible to participate in the Offer.
- 7.4 This Letter of Offer specifying the detailed terms and conditions of the Offer along with the Form of Acceptance-cum-Acknowledgement will be mailed to all the Eligible Shareholders as on the Identified Date. Non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the Letter of Offer would be dispatched to each of the Eligible Shareholders is Tuesday, June 26, 2018. In terms of Regulation 18(2) the letter of offer shall be dispatched to the shareholders whose names appear on the register of members of the target company as of the identified date. Every person holding shares, regardless of whether he held shares on the identified date or has not received the letter of offer, shall be entitled to tender such shares in acceptance of the open offer.
- 7.5 There shall be no discrimination in the acceptance of locked-in (subject to continuation of the residual lock-in period in the hands of the Acquirer) and non locked-in Equity Shares in the Offer. To the best of our knowledge, the Target Company has no Equity Shares which are locked in. The Eligible

Shareholders who tender their Equity Shares under the Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances and shall ensure that such Equity Shares when acquired by the Acquirer will be acquired free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including but not limited to the rights to all dividends, bonus and rights declared thereafter.

- 7.6 Eligible Shareholders to whom the Offer is being made are free to offer their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by an Eligible Shareholder, the Manager to the Offer and the Acquirer reserve the right to reject the acceptance of this Offer from such Eligible Shareholder.
- 7.7 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.8 The acceptance of this offer is entirely at the discretion of the eligible Equity Shareholder(s)/ Beneficial owner(s) of the Target Company. The Acquirer, Manager to the Offer or Registrar to the Offer will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.
- 7.9 The instructions, authorisations and provisions contained in the Form of Acceptance- cum-Acknowledgement constitute an integral part of the Letter of Offer.
- 7.10 The Acquirer shall, within ten (10) Working Days from the last date of the Tendering Period of the Offer, complete all requirements under the SEBI (SAST) Regulations and other applicable law relating to the Offer including payment of consideration to the Eligible Shareholders who have validly tendered their acceptance to the Offer and for that purpose open a special account provided under Regulation 21(1).
- 7.11 Applications in respect of tendered Shares that are the subject matter of litigation, wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation, are liable to be rejected if directions or orders regarding these Shares are not received together with the Shares tendered under this Offer. The applications in some of these cases may be forwarded (as per the discretion of the Acquirer) to the concerned statutory authorities for further action by such authorities.
- 7.12 In the event that the aggregate of the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.
- 7.13 The Manager to the Offer does not hold any Equity Shares in the Target Company. Further, the Manager to the Offer further declares and undertakes that they will not deal in their own account in the equity shares of the Target Company during the Offer Period.
- 7.14 **STATUTORY AND OTHER APPROVALS**
- 7.14.1 To the best of knowledge and belief of the Acquirer, as of the date of this LOO, except approval from Reserve Bank of India which has been obtained from RBI Mumbai vide their letter no DNBS (MRO) 1 No. 2233/13.16.163/2017-18 dated June 18, 2018 as the Target Company is engaged in the business of Non-Banking Financial Institution without accepting public deposits, there are no statutory approvals required to acquire the equity shares tendered pursuant to this Offer. However, if any other statutory approvals are required or become

applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.

- 7.14.2 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the equity shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the equity shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
- 7.14.3 In terms of Regulation 18(11) of the SEBI (SAST) Regulations, the Acquirer shall be responsible to pursue all statutory approvals required by the Acquirer in order to complete the Open Offer without any default, neglect or delay, including RBI approval under FEMA regulations for shares tendered by non-resident shareholders.
- 7.14.4 If any of the statutory approvals, are not met for reasons outside the reasonable control of the Acquirer, or in the event the statutory approvals are refused, the Acquirer, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. In the event of withdrawal, the Acquirer will make a public announcement within 2 working days of such withdrawal, in the same newspapers in which this DPS is published and such announcement will also be sent to SEBI, BSE and the Target Company at its Registered Office.
- 7.14.5 In case of delay / non-receipt of any statutory approval in terms of regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that delay/ non receipt of the requisite statutory approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the equity shareholders for the delay as may be specified by SEBI.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

- 8.1 All the Shareholders, registered or unregistered, of the Target Company, except the Acquirer, parties to the SPA(s) owning Equity Shares any time before the date of Closure of the Offer, are eligible to participate in the Offer.
- 8.2 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, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- 8.3 The Open Offer will be implemented by the Acquirer through stock exchange mechanism made available by the Stock Exchanges in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and BSE notice no. 20170202-34 dated February 2, 2017 and notice no. 20170210-16 and 20170210-23 dated February 10, 2017.
- 8.4 BSE Limited ("**BSE**") shall be the designated stock exchange for the purpose of tendering Equity Shares in the Open Offer.
- 8.5 The facility for acquisition of shares through stock exchange mechanism pursuant to the Offer shall be available on the BSE in the form of a separate window ("**Acquisition Window**").

- 8.6 The Acquirer has appointed M/s. Hem Securities Limited ("**Buying Broker**") for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the Tendering Period. The Contact details of the Buying Broker are as mentioned below:

Name: M/s. Hem Securities Limited
SEBI Registration Number: INM000010981, CIN: U67120RJ1995PLC010390
Address: 203, Jaipur Tower, M.I.Road, Jaipur 302001
Contact Person: Mr. Saurabh Kasliwal
Tel.: 0141 4051000; **Email:** saurabh.k@hemsecurities.com

- 8.7 All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers ("**Selling Broker**"), during the normal trading hours of the secondary market during the Tendering Period. Separate Acquisition window will be provided by BSE to facilitate placing of sell orders. The Selling Broker(s) can enter orders for dematerialized as well as physical Equity Shares.
- 8.8 The Selling Broker would be required to place an order/bid on behalf of the Shareholders who wish to tender their Equity Shares in the Offer using the Acquisition Window of the BSE. Before placing the bid, the concerned Public Shareholder / Selling Broker would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation by using the settlement number and the procedure prescribed by the Clearing Corporation.
- 8.9 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session, at specific intervals, by the stock exchange during the Tendering Period.
- 8.10 Shareholders can tender their shares only through a broker with whom the Shareholder is registered as client (KYC Compliant).

In the event Selling Broker of the Shareholder is not registered with BSE then that equity Shareholder can approach the Buying Broker *viz* Hem Securities Limited to facilitate tendering of equity shares under the offer.

8.11 Procedure for tendering Equity Shares held in dematerialised Form:

- a) Public Shareholders who are holding the equity shares in demat form and who desire to tender their equity shares in this Offer shall approach their respective Selling Broker indicating to their broker the details of Equity Shares they intend to tender in Open Offer.
- b) Shareholders shall submit Delivery Instruction Slips ("DIS") duly filled in specifying market type as "Open Offer" and execution date along with all other details to their respective depository participant/ selling broker so that equity Shares can be tendered in this Open Offer.
- c) The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.
- d) For custodian participant, orders for demat equity shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- e) The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.

- f) Upon placing the order, the Selling Broker(s) shall provide transaction registration slip (“TRS”) generated by the exchange bidding system to the Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, client ID, no. of Equity Shares tendered etc.
- g) The Shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.
- h) The shareholders holding equity shares in demat mode are not required to fill any form of acceptance cum acknowledgement. The shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of the offer period.

8.12 Procedure to be followed by registered Shareholders holding Equity Shares in the physical form

- (i) Shareholders who are holding physical Equity Shares and intend to participate in the 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:
 - a. The Form of Acceptance-cum-Acknowledgement duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares
 - b. Original share certificates
 - c. Valid share transfer form(s) duly filled and signed by the transferors (*i.e.* by all registered Shareholders in same order) and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirer
 - d. Self-attested copy of the Shareholder's PAN Card;
 - e. Any other relevant documents such as (but not limited to):
 - Duly attested power of attorney if any person other than the Equity Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement
 - Notarized copy of death certificate/succession certificate or probated will, if the original Shareholder has deceased
 - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
- (ii) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, voter identity card or passport.
- (iii) Selling Broker should place order on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling Broker shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- (iv) After placement of order, as mentioned in paragraph 8.12(iii), the Selling Broker must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in paragraph 8.12(i) either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page within 2 (two) days from the date of the above order, or if the above order is placed on the offer closing date, within 2 (two) days from the offer closing date (by 5 pm) . The envelope should be superscribed as “**Parnami Credits Limited – Open Offer**”.

One copy of the TRS along with supporting documents will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.

- (v) Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares by the Acquirer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and till such time the stock exchanges shall display such orders as unconfirmed physical bids "Once, Registrar to the Offer confirms the orders it will be treated as Confirmed Bids".
- (vi) In case any person has submitted Equity Shares in physical form for dematerialisation, such Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before the Offer Closing Date.

8.13 Modification / cancellation of orders will not be allowed during the period the Offer is open.

The cumulative quantity tendered shall be made available on the website of the Stock Exchanges throughout the trading session and will be updated at specific intervals during the Tendering Period.

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

Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer. A Shareholder may participate in the Offer by approaching their broker and tender Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the Form of Acceptance-cum-Acknowledgement. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as of the Identified Date.

In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or BSE website (www.bseindia.com) or Merchant Bankers' website or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share certificate and Form SH 4 in case of shares being held in physical form. Such shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Offer.

8.15 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.

8.16 Acceptance of Equity Shares

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares (including demat Equity Shares, physical Equity Shares and locked-in Equity Shares) validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the 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 Shareholder shall not be less than the minimum marketable lot. The minimum marketable lot for the purposes of acceptance of equity shares of the target company would be 1(one) equity share.

8.17 Settlement Process

On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.

The shares shall be directly credited to the pool account of the Buying Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the pool account of the Buying Broker. In case of partial or non-acceptance of orders or excess pay-in, demat Shares shall be released to the securities pool account of the Selling Broker / custodian, post which, the Selling Broker would then issue contract note for the shares accepted and return the balance shares to the Shareholders. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned to the Shareholder(s) directly by Registrar to the Offer.

If the securities transfer instruction is rejected in the depository system, due to any issue, then such equity shares will be transferred to the selling broker's pool account for onward transfer to the public shareholders. In case of custodian participant orders, excess equity shares or unaccepted demat equity shares, if any, will be returned to the respective custodian participant. Any excess equity shares held in physical form pursuant to proportionate acceptance/rejection will be returned back to the public shareholders directly by the registrar through registered post/speed post at the public shareholders sole risk to the sole/first public shareholder (in case of joint public shareholders), at the address recorded with the registrar/target company.

8.18 Settlement of Funds / Payment Consideration

The buying broker will make funds pay-in in the settlement account of the clearing corporation. For equity shares accepted under the offer, equity shareholders will receive funds payout directly in their respective bank accounts (in case of demat equity shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical equity shares).

However, in the event that the pay-outs are rejected by the equity shareholder's bank accounts due to any reason, the pay-out will be transferred to the respective selling broker's settlement accounts and their respective selling brokers will thereafter transfer the consideration to their equity shareholders.

Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have

accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations 2011.

8.19 GENERAL

- 8.19.1 Public shareholders who wish to tender their shares must submit the information all at one time as given in Form of Acceptance cum Acknowledgement and those that may be additionally requested by the acquirer may be submitted later as per the Acquirer's instructions. The documents submitted by the public shareholders along with Form of Acceptance-cum-Acknowledgement will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer may not be accepted. In case the documents/information as requested in the Letter of Offer/form of acceptance -cum-acknowledgement are not submitted by a public shareholder, or the Acquirer considers the documents/information submitted by a public shareholder to be ambiguous/incomplete/conflicting, the Acquirer reserve the right to withhold tax on the gross consideration at the maximum marginal rate as applicable to the category of the shareholder.
- 8.19.2 Based on the documents and information submitted by the Public shareholders, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer.
- 8.19.3 Taxes once deducted will not be refunded by the Acquirer under any circumstances.
- 8.19.4 The Acquirer shall deduct tax (if required) as per information provided and representation made by the public 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 public shareholders, such public shareholders will be responsible to pay such income tax demand (including interest, penalty etc.) and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before any income tax/apellate authority
- 8.19.5 All public shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at 904, A wing, 9th Floor, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, the Corporate Office of Hem Securities Ltd., the Manager to the offer from 10:30 hours to 13:00 hours on any working day, except Saturdays, Sundays and Public Holidays until the Closure of the Tendering Period.

- 9.1 Memorandum of Understanding between Manager to the Offer i.e. **Hem Securities Limited** and the Acquirer.
- 9.2 Copy of the Share Purchase agreement dated February 08, 2018 executed between the acquirer and the seller.
- 9.3 CA Sanwariya Somani (Membership No. 146767, FRN. 135797W), Partner of S Somani & Associates, Chartered Accountants, having their office at C-101, Sai Shraddha 1 Chs Ltd, Shiv Vallabh Road, Dahisar (E), Mumbai 400068, confirming that Ms. Rachana Singi (Acquirer) has sufficient liquid resources to fulfil the obligations under the SEBI (SAST) Regulations.

- 9.4 Audited financial reports of Parnami Credits Limited for the year ended March 31, 2017, March 31, 2016 and March 31, 2015 and unaudited financials for six months ended as on September 30, 2017(limited reviewed by statutory auditor).
- 9.5 Undertaking from Acquirer, stating full responsibility for all information contained in the PA, DPS, the Draft Letter of Offer and the Letter of Offer.
- 9.6 Certificate from Kotak Mahindra Bank Limited confirming the amount kept in the Escrow Account within stipulated time i.e. 12.02.2018
- 9.7 Memorandum and Articles of Association of Parnami Credits Limited
- 9.8 Copy of the letter from the registrar confirming acting as registrar to the open offer
- 9.9 Public Announcement dated Thursday, February 08, 2018 and Detailed Public Statement which has been published on Friday, February 16, 2017.
- 9.10 Observation letter dated April 26, 2018 and May 15, 2018 on the Draft Letter of offer filed with the Securities and Exchange Board of India.

10. DECLARATION BY THE ACQUIRER

- 10.1 The Acquirer accepts full responsibility, for the information contained in this Letter of Offer and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof. The Acquirer is responsible for ensuring compliance with the SEBI (SAST) Regulations.
- 10.2 The information contained in this Letter of Offer is as of the date of this Letter of Offer, unless expressly stated otherwise.

For and on behalf of the Acquirer

Sd/-

Ms. Rachana Singi

Date : Monday, June 25, 2018

Place : Mumbai

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FORM OF ACCEPTANCE - CUM - ACKNOWLEDGEMENT

OFFER OPENS ON: July 03, 2018

OFFER CLOSES ON: July 16, 2018

Name:

Address:

Folio No.:

Tel No:

Sr. No:

Fax No:

No of Shares Held:

E-Mail:

To,

Mas Services Limited

T-34,2nd Floor, Okhla Industrial Area-II, New Delhi-110020

Sub : Open Offer to the Public Shareholders of Parnami Credits Limited by Ms. Rachana Singi ("Acquirer") to acquire 18,06,900 equity shares at an exit Price of Rs. 11.75/- per equity share.

Dear Sir,

I/We refer to the Exit Offer Letter dated June 25, 2018 for acquiring the Equity Shares held by me/us in Parnmai Credits Limited("PCL").

I/We, the undersigned, have read the Exit Offer Letter and understood its contents including the terms and conditions as mentioned therein. I/We, hold shares, accept the offer and enclose the original Share certificate (s) and duly signed transfer deed (s) in respect of my/our Shares as detailed below:

DETAILS OF SHARES CERTIFICATE

| Sr. No. | Certificate No. | Distinctive No(s) | | No. of Shares |
|---------|-----------------|-------------------|----|---------------|
| | | From | To | |
| | | | | |
| | | | | |
| | | | | |

Total Number of Equity Shares

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

SHARES HELD IN DEMATERIALISED FORM

| Sr. No. | DP Name | DP ID | Client ID | No. of Shares |
|---------|---------|-------|-----------|---------------|
| | | | | |
| | | | | |
| | | | | |

(P.T.O.)

-----TEAR ALONG THIS LINE -----

Acknowledgement Slip Sr. No. _____

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

Address _____

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

Form of Acceptance along with (Tick whichever is applicable):

☐ Physical Shares: No. of Shares _____; No. of certificate enclosed _____

☐ Demat Shares: Copy of delivery instruction for _____ No. of Shares _____

Signature of Official: _____ Date of Receipt _____ Stamp of Collection Centre _____

I / We confirm that the equity shares which are being tendered herewith by me / us under this Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights

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

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

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of equity shares under the Income Tax Act, 1961. I / We are not debarred from dealing in equity shares.

I / We authorize the Acquirer to accept the Shares so offered which they may decide to accept in terms of the Exit Offer Letter and I/We further authorize the Acquirer to return to me/us, Equity Share certificate(s) in respect of which the Offer is not found valid / not accepted, specifying the reasons thereof.

I / We authorize the Acquirer or the Registrars to the Offer to send by registered post/under certificate of posting, the Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

Yours faithfully,
Signed and Delivered:

| | Full Name(s) | PAN No. | Signature(s) |
|--------------------------|--------------|---------|--------------|
| First / Sole Shareholder | | | |
| Second Shareholder | | | |
| Third Shareholder | | | |

Note: In case of joint holdings, all holders must sign. A corporation / Company must affix its common seal.

Address of First/Sole Shareholder: _____

Place: _____ Date: _____

So as to avoid fraudulent encashment in transit, Shareholder(s) may provide details of bank account of the first / sole Shareholder and the consideration cheque or demand draft will be drawn accordingly.

| | |
|--|--|
| Name of the Bank _____ | Branch _____ |
| Account Number _____ | Savings / Current / Other (Please Specify) _____ |
| | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| In case of NECS, 9- digit code number of the Bank & Branch (Appearing on the MICR Cheque issued by the | |
| Bank <input type="text"/> | <input type="text"/> |
| In the case of RTGS/NEFT, 11 digit IFSC code <input type="text"/> | |

Please enclose cancelled cheque and copy of PAN card

-----TEAR ALONG THIS LINE-----

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address quoting your reference Folio No.:

Mas Services Limited
T-34, 2nd Floor, Okhla Industrial Area Phase-II, New Delhi-110020
Tel. No. 011-26387281/82/83
Fax No. 011-26387384
E-mail ID: info@masserv.com
Contact Person: Mr. N. C. Pal