

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer (“**Draft Letter of Offer**” / “**DLoF**”) is being sent to you as a Shareholder (*as defined below*) of PNB Housing Finance Limited. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager (*as defined below*) / Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of stock exchange through whom the said sale was effected.

PLUTO INVESTMENTS S.À R.L.

Registered office: 9, Rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg;
Tel: +352 27 44 41 1; Fax: NA (hereinafter referred to as the “**Acquirer**”)

ALONGWITH

SALISBURY INVESTMENTS PRIVATE LIMITED

Registered office: G03, Vinayak Angan, Prabhadevi, Near Bengal Chemicals, Mumbai, India – 400025;
Tel: 022-62392777 / 2999; Fax: NA (hereinafter referred to as the “**PAC 1**”)

ALONGWITH

CARLYLE ASIA PARTNERS IV, S.C.SP.

Registered office: 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg;
Tel: +352 27 44 41 1; Fax: NA (hereinafter referred to as the “**PAC 2**”)

ALONGWITH

CARLYLE ASIA PARTNERS V, S.C.SP.

Registered office: 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg;
Tel: +352 27 44 41 1; Fax: NA (hereinafter referred to as the “**PAC 3**”)

ALONGWITH

QUALITY INVESTMENT HOLDINGS

Registered office: Apex Group Ltd., Lot 15 A3, 1st Floor, Cybercity,
Ebene 72201, Mauritius;
Tel: +1 230 404 3900; Fax: +1 230 454 6824 (hereinafter referred to as the “**PAC 4**”)

ALONGWITH

CAP IV AIV MAURITIUS LIMITED

Registered office: Apex Group Ltd., Lot 15 A3, 1st Floor, Cybercity,
Ebene 72201, Mauritius;
Tel: +1 230 404 3900; Fax: +1 230 454 6824 (hereinafter referred to as the “**PAC 5**”)

MAKES A CASH OFFER OF INR 403.22 (INDIAN RUPEES FOUR HUNDRED AND THREE AND TWENTY TWO PAISE ONLY) PER FULLY PAID-UP EQUITY SHARE OF FACE VALUE OF INR 10 (INDIAN RUPEES TEN ONLY) EACH, TO ACQUIRE UP TO 70,793,011 (SEVENTY MILLION SEVEN HUNDRED NINETY THREE THOUSAND AND ELEVEN) EQUITY SHARES REPRESENTING 26% (TWENTY SIX PERCENT) OF THE EXPANDED VOTING SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED TO THE SHAREHOLDERS OF



PNB HOUSING FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956
Registered office: 9th floor, Antriksh Bhawan, 22 K G Marg, New Delhi, India 110001
Tel: 011-23445200, Fax: 011-23736857 (hereinafter referred to as the “**Target Company**” / “**Target**”)

1. This Offer (*as defined below*) is made pursuant to and in compliance with the provisions of Regulations 3(1), 3(2) and Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations (*as defined below*).
2. This Offer is not a conditional offer in terms of Regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. NRI (*as defined below*) and OCB (*as defined below*) holders of Equity Shares, if any, must obtain all requisite approvals, if applicable, required to tender the Equity Shares held by them in this Offer (including, without limitation, approval from the RBI (*as defined below*), or any other relevant statutory or regulatory authority, as may be applicable, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity and submit copies of such approvals, along with the Form of Acceptance-cum-Acknowledgement and other documents required in terms of this Draft Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and FPIs (*as defined below*)) had required any approvals (including from the RBI, the FIPB (*as defined below*) or any other regulatory / statutory authority) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on a repatriable or a non-repatriable basis.
5. Where any statutory or other approval extends to some but not all of the Shareholders, the Acquirer and the PACs shall have the option to make payment to such Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
6. Other than as set out in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*), as on the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and the PACs, there are no other statutory or regulatory approvals required by the Acquirer and/or the PACs, to acquire the Equity Shares validly tendered by Shareholders pursuant to this Offer. However, in case of any other statutory or regulatory approvals being required and/or becoming applicable at a later date before the closing of the Tendering Period (*as defined below*), this Offer would be subject to the receipt of such approvals.
7. In the event that the number of Equity Shares validly tendered by the Shareholders under this Offer is more than the number of Offer Shares (*as defined below*), 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 the acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.

8. The Acquirer and the PACs may withdraw the Offer in accordance with the terms and conditions specified in Part C of Section VI (*Terms and Conditions of the Offer*) of this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer and the PACs (through the Manager) shall, within two Working Days (*as defined below*) of such withdrawal, make a public announcement, in the same newspapers in which the Detailed Public Statement (*as defined below*) was published, stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
9. The Offer Price (*as defined below*) may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs at any time prior to 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of acquisition of the Equity Shares by the Acquirer and/or the PACs, during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price per equity share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs shall (i) make corresponding increases to the escrow amounts and/or Bank Guarantee; (ii) make a public announcement in the same newspapers in which the DPS was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. However, the Acquirer and/or the PACs shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the Tendering Period, and until the expiry of the Tendering Period. The same price shall be payable by the Acquirer and/or the PACs for all the Equity Shares tendered anytime during the Offer.
10. **There has been no competing offer as of the date of this Draft Letter of Offer. If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**

A copy of the Public Announcement (*as defined below*), the Detailed Public Statement and this Draft Letter of Offer is also available on the website of SEBI (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>HSBC HSBC Securities and Capital Markets (India) Private Limited Address: 52 / 60, MG Road, Fort, Mumbai, 400 001 Tel: +91 22 2268 1712 / +91 22 6628 3700 Fax: +91 22 6653 6207 Email: pnbhf@hsbc.co.in Contact Person: Mr. Ramakrishna Rao Chappidi / Mr. Dhananjay Sureka SEBI Registration Number: INM000010353</p>	 <p>M/S. Link Intime India Private Limited Address: C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400 083 Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Email: pnbhousing.offer@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration Number: INR000004058</p>

The Indicative Schedule of Activities under the Offer is as follows:

Activity	Schedule of activities (Day & Date)[#]
Issue of Public Announcement	Monday, May 31, 2021
Publication of the DPS in newspapers	Monday, June 07, 2021
Filing of this Draft Letter of Offer with SEBI	Monday, June 14, 2021
Last date for public announcement for competing offer(s)	Monday, June 28, 2021
Last date for receipt of comments from SEBI on this Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Monday, July 05, 2021
Identified Date*	Wednesday, July 07, 2021
Last date for dispatch of the Letter of Offer to the Shareholders of the Target Company whose names appear on the Register of Members on the Identified Date	Wednesday, July 14, 2021
Last date for upward revision of the Offer Price and/or the Offer Size	Monday, July 19, 2021
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Shareholders of the Target Company for this Offer	Monday, July 19, 2021
Date of publication of Offer opening public announcement, in the newspapers in which the DPS has been published	Tuesday, July 20, 2021
Date of commencement of the Tendering Period (“Offer Opening Date”)	Thursday, July 22, 2021
Date of closure of the Tendering Period (“Offer Closing Date”)	Wednesday, August 04, 2021
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Shareholders of the Target Company	Wednesday, August 18, 2021
Last date for filing the post Offer report with SEBI	Thursday, August 26, 2021
Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	Thursday, August 26, 2021

**The Identified Date is only for the purpose of determining the Shareholders as on such date to whom the LoF will be dispatched. It is clarified that all Shareholders (registered or unregistered) of Equity Shares (except the Acquirer, the PACs, the parties to the Underlying Transactions and the persons deemed to be acting in concert with such parties) are eligible to participate in the Open Offer at any time before the Offer Closing Date, subject to Part C (Statutory and Other Approvals) of Section VI (Terms and Conditions of the Offer) below.*

The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of relevant approvals from various statutory / regulatory authorities and may have to be revised accordingly.

RISK FACTORS

Relating to the Underlying Transactions:

1. As on the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and the PACs, except as mentioned in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*) of this Draft Letter of Offer, there are no statutory approvals required by the Acquirer and / or the PACs, to complete the Underlying Transactions and this Open Offer.
2. The Underlying Transactions are also subject to certain conditions precedent in the Subscription Agreements (*as defined below*) and if these conditions are not satisfied or waived in accordance with the terms of the Subscription Agreements, or any termination event occurs, the Underlying Transactions may be terminated.
3. In the event that the statutory approvals referred to in Part C (*Statutory and other Approvals*) of Section VI (*Terms and Conditions of the Offer*) are not received, or rejected, or refused, for any reason, or, the Acquirer and the PACs, shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations.
4. The information contained in this Draft Letter of Offer is as of date of this Draft Letter of Offer unless specified otherwise. The Acquirer, the PACs and the Manager are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.
5. The Acquirer, the PACs and the Manager accept no responsibility (nor shall any persons deemed to be acting in concert with the Acquirer be responsible) for statements made otherwise than in the PA, the DPS, this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and/or PACs, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company. Any person placing reliance on any other source of information will be doing so at his/her/its own risk.

Relating to the Open Offer:

1. In the event that either: (a) regulatory or statutory approvals, as required, are not received in time; or (b) there is any order, of a governmental authority, or in a litigation, leading to a stay / injunction on the Open Offer or that restricts / restrains the Acquirer along with the PACs from performing its obligations hereunder; or (c) SEBI instructs the Acquirer and/or the PACs not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any wilful default or failure or neglect on the part of the Acquirer and/or the PACs, grant an extension for the purpose of completion of the Open Offer subject to the Acquirer and the PACs agreeing to pay interest to the validly tendering Shareholders at such rate as may be specified by SEBI. Where the statutory approvals extend to some but not all the Shareholders, the Acquirer along with the PACs will have the option to make payment of the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
2. NRI and OCB holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including, without limitation, approval from the RBI (*as defined below*), or any other relevant statutory or regulatory authority, as may be applicable, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit copies of such approvals, along with the Form of Acceptance-cum-Acknowledgement and other documents required in terms of this Draft Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and FPIs) had required any approvals (including from the RBI, the FIPB or any other regulatory / statutory authority) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity

Shares are held on a repatriable or a non-repatriable basis.

3. The Acquirer and the PACs may withdraw the Offer in accordance with the terms and conditions specified in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*) of this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer and the PACs (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a public announcement, in the same newspapers in which the Detailed Public Statement was published, stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
4. In the event that the number of Equity Shares validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirer and the PACs shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis as detailed in Section VII (*Procedure for Acceptance and Settlement of the Offer*) below. Therefore, there is no certainty that all the Equity Shares tendered in the Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Shareholders in accordance with the schedule of activities for the Offer.
5. From the tendering of shares by the Shareholders to the settlement of the Open Offer, there may be fluctuations in the market price of the Equity Shares and the shareholders will not be able to trade in such Equity Shares held in trust by the Registrar to the Offer that may adversely impact the Shareholders who have tendered their Equity Shares in this Open Offer. The Acquirer, the PACs and the Manager make no assurance with respect to the market price of the Equity Shares both during the Tendering Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Shareholder on whether or not to participate in the Offer. It is understood that the Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
6. Shareholders who tender the Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptances during the Tendering Period, even if the acceptance of the Equity Shares in this Open Offer and/or dispatch of consideration is delayed.
7. The Acquirer, the PACs and the Manager accept no responsibility for statements made otherwise than in the Draft Letter of Offer, Detailed Public Statement and the Public Announcement; anyone placing reliance on any other sources of information (not released by the Acquirer, the PACs and the Manager) would be doing so at his / her / its own risk.
8. Shareholders are advised to consult their respective stockbroker, legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for assessing further risks with respect to their participation in the Open Offer, and related transfer of Equity Shares of the Target Company to the Acquirer and the PACs. The Acquirer, the PACs and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer, and all Shareholders should independently consult their respective tax advisors.
9. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident 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, the PACs or the Manager to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
10. This Offer is subject to completion risks as would be applicable to similar transactions.

Relating to the Acquirer and PACs:

1. The Acquirer and the PACs make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.
2. The Acquirer and the PACs make no assurance with respect to its investment / divestment decisions relating to its proposed shareholding in the Target Company.

3. The Acquirer and the PACs make no assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer.
4. As per Regulation 38 of the SEBI (LODR) Regulations read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (“**SCRR**”), the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer and the Underlying Transactions (*defined below*), in the event that the public shareholding of the Target Company falls below the minimum public shareholding requirement as per SCRR, as amended, and the SEBI (LODR) Regulations (“**MPS Requirement**”), the Acquirer and the PACs undertake to take necessary steps (or cause the other promoters of the Target Company to take necessary steps) to bring down the non-public shareholding in the Target Company, to the level specified within the time prescribed in, and in accordance with the SCRR, SEBI (SAST) Regulations and other applicable SEBI guidelines / regulations. i.e. to bring down the non-public shareholding to 75% (seventy five percent) within 12 (twelve) months from the date of such fall in the public shareholding to below 25% (twenty five percent), through permitted routes and any other such routes as may be approved by SEBI from time to time.
5. The information pertaining to the Target Company contained in the PA or the DPS or the Draft Letter of Offer or the Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company, as the case may be, or publicly available sources which has not been independently verified by the Acquirer or the PACs or the Manager. The Acquirer, the PACs and the Manager do not accept any responsibility with respect to the information provided by the Target Company.

The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associated with the Acquirer and the PACs. The risk factors set forth above do not relate to the present or future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation or otherwise by any Shareholder in the Offer. Shareholders are advised to consult their respective stockbrokers, legal, financial, tax, investment or other advisors and consultants for an understanding of the further risks associated with their participation in the Offer.

DISCLAIMER FOR U.S. PERSONS:

The information contained in this Draft Letter of Offer is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S under the US Securities Act of 1933, as amended, and who are not physically present in the USA. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the USA or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES:

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

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to “**Rs.**” / “**INR**” are to Indian Rupee(s), the official currency of India, and all references to “**USD**” / “**US\$**” / “**US Dollar**” are to United States Dollars, the official currency of the United States of America. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and / or regrouping.

All financial data presented in USD in this Draft Letter of Offer have been converted into INR for the purpose of convenience translation only.

The conversion has been assumed at the following rate as on the date preceding the PA date, when the forex markets were operational (unless otherwise stated in this Draft Letter of Offer):

USD 1 = INR 72.4767 (Source FBIL reference rate)

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DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Acquirer	Pluto Investments S.à r.l
Acquirer Subscription Agreement	The subscription agreement dated May 31, 2021 executed by and between the Target Company and the Acquirer
Bank Guarantee	An unconditional, irrevocable, and on demand bank guarantee dated June 2, 2021, for an amount of INR 3,604,515,790 (Indian Rupees three billion six hundred four million five hundred fifteen thousand seven hundred ninety only only) from The Hongkong and Shanghai Banking Corporation Limited, issued in favour of the Manager to the Open Offer.
BSE	BSE Limited
CDSL	Central Depository Services Limited
Depositories	CDSL and NSDL
Detailed Public Statement / DPS	The detailed public statement dated June 5, 2021, published on behalf of the Acquirer and the PACs by the Manager on June 7, 2021
Draft Letter of Offer / DLoF	This Draft Letter of Offer dated June 14, 2021 filed with the SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
Equity Share(s)	Fully paid up equity shares of the Target Company with face value of INR 10 (Indian Rupees Ten Only) each
Expanded Voting Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis as of the tenth (10th) working day from the closure of the Tendering Period of the Open Offer, including (a) total issued and paid up equity share capital of the Target Company, outstanding as on the date of the PA, (b) Equity Shares and share warrants proposed to be issued by the Target Company under the preferential issue approved by the board of directors of the Target Company on May 31, 2021, and (c) employee stock options granted, and vested as on the date of the PA, or to be vested during the 6 (six) month period commencing from the date of the PA.
FII	Erstwhile Foreign Institutional Investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIPB	Erstwhile Foreign Investment Promotion Board or the Foreign Investment Facilitation Portal, and which shall include the erstwhile Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and which shall include the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FPI	Foreign Portfolio Investor(s), as defined under Regulation 2(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
Identified Date	The date falling on the 10 th Working Day prior to the commencement of the Tendering Period
Income Tax Act / IT Act	The Income Tax Act, 1961, as amended
Letter of Offer / LoF	The Letter of Offer dated [●], which shall be dispatched to the Shareholders of the Target Company.
Manager / Manager to the Offer	HSBC Securities and Capital Markets (India) Private Limited
NEFT	National Electronic Funds Transfer
NRI	Non-resident Indians

Particulars	Details / Definition
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies
Offer / Open Offer	Open offer being made by the Acquirer and the PACs to the Shareholders of the Target to acquire up to 70,793,011(seventy million seven hundred ninety three thousand and eleven) Equity Shares, representing 26% (twenty six percent) of the Expanded Voting Share Capital, at a price of INR 403.22 (Indian Rupees four hundred and three and twenty two paise only) per Equity Share
Offer Period	Shall have the meaning ascribed to it in the SEBI (SAST) Regulations
Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer and the PACs
Offer Price	INR 403.22 (Indian Rupees four hundred and three and twenty two paise only) per Equity Share
Offer Shares	70,793,011 (seventy million seven hundred ninety three thousand and eleven) Equity Shares, representing 26% (twenty six percent) of the Expanded Voting Share Capital
Offer Size / Maximum Open Offer Consideration	INR 28,545,157,895.42 (Indian Rupees twenty eight billion five hundred forty five million one hundred fifty seven thousand eight hundred and ninety five, and forty two paise only), being the maximum consideration payable under this Offer assuming full acceptance
Open Offer Escrow Account	The account named “HSBC – PLUTO INVESTMENTS – OPEN OFFER- ESCROW ACCOUNT” opened with Open Offer Escrow Agent in accordance with Regulation 17(4) of the SEBI (SAST) Regulations
Open Offer Escrow Agent	The Hongkong and Shanghai Banking Corporation Limited (acting through its branch at Mumbai, India)
Open Offer Escrow Agreement	Escrow agreement dated May 31, 2021 entered into by the Acquirer with the Open Offer Escrow Agent and the Manager
Open Offer Escrow Amount	The amount aggregating to INR 285,451,579 (Indian Rupees two hundred eighty five million four hundred fifty one thousand five hundred seventy nine only), maintained by the Acquirer with the Open Offer Escrow Agent in accordance with the Open Offer Escrow Agreement
PACs / Persons Acting in Concert	Persons acting in concert with the Acquirer for this Offer, i.e. Salisbury Investments Private Limited, Carlyle Asia Partners IV, S.C.Sp., Carlyle Asia Partners V, S.C.Sp., Quality Investment Holdings and CAP IV AIV Mauritius Limited
PAC 1 Subscription Agreement	The subscription agreement May 31, 2021 executed by and between PAC 1 and the Target Company
PAN	Permanent Account Number
Promoter(s)	Promoter(s) of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Promoter Group	Promoter Group of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Public Announcement / PA	The public announcement dated May 31, 2021 issued by the Manager on behalf of the Acquirer and the PACs, in connection with the Offer
Shareholders / Shareholder(s)	All the shareholders of the Target Company other than the Acquirer, the PACs, and the parties to the Underlying Transactions and the persons deemed to be acting in concert with such parties
RBI	Reserve Bank of India

Particulars	Details / Definition
Registrar / Registrar to the Offer	Link Intime India Private Limited
RTGS	Real Time Gross Settlement
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEC	Securities and Exchange Commission (United States)
Share Warrants	Share warrants issued to the Acquirer and PAC 1 at a price of INR 390 (Indian Rupees three hundred ninety only) per share warrant, with 1 (one) Equity Share being issuable by the Target Company upon the exercise of the option attached to each share warrant, subject to the terms of the share warrants.
Subscription Agreements	The Acquirer Subscription Agreement and the PAC 1 Subscription Agreement collectively
Stock Exchanges	BSE and NSE
Target / Target Company	PNB Housing Finance Limited
Tendering Period	Period expected to commence from July 22, 2021 and close on August 04, 2021 (both days inclusive)
Working Day(s)	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

**All capitalized terms used in this DLoF, but not otherwise defined above, shall have the meanings ascribed to such term in the DLOF or, where no definition has been specified, in the SEBI (SAST) Regulations.*

DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PACS OR THE TARGET COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 14, 2021 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

I. DETAILS OF THE OFFER

A. Background of the Offer

1. This Offer is a mandatory open offer being made by the Acquirer and the PACs in terms of Regulations 3(1), 3(2) and Regulation 4 of the SEBI (SAST) Regulations, pursuant to the execution of the Subscription Agreements to acquire in excess of 25% of the Expanded Voting Share Capital of the Target Company.
2. As on the date of this DLoF, PAC 4 holds 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Target Company which represents 19.9 % (nineteen point nine percent) of the Expanded Voting Share Capital. Each of the Acquirer, PAC 2, PAC 3, PAC 4 and PAC 5 belong to the group of entities doing business globally as “The Carlyle Group”.
3. The Acquirer has entered into a subscription agreement dated May 31, 2021 with the Target Company (the “**Acquirer Subscription Agreement**”), wherein it is proposed that the Acquirer shall subscribe to: (a) 65,333,333 (sixty five million three hundred thirty three thousand three hundred thirty three) Equity Shares; and (b) 16,333,333 (sixteen million three hundred thirty three thousand three hundred thirty three) Share Warrants by way of preferential allotment on a private placement basis; subject to the conditions and in accordance with the terms of the Acquirer Subscription Agreement. PAC 1 has entered into a subscription agreement dated May 31, 2021 with the Target Company (the “**PAC 1 Subscription Agreement**”), wherein it is proposed that PAC 1 shall subscribe to: (a) 512,820 (five hundred twelve thousand eight hundred twenty) Equity Shares; and (b) 128,205 (one hundred twenty eight thousand two hundred five) Share Warrants by way of preferential allotment on a private placement basis; subject to the conditions and in accordance with the terms of the PAC 1 Subscription Agreement. The Acquirer Subscription Agreement and the PAC 1 Subscription Agreement are collectively referred to as the “**Subscription Agreements**”.
4. The Equity Shares are proposed to be issued to the Acquirer and PAC 1 at a price of INR 390 (Indian Rupees three hundred ninety only) per Equity Share. The Share Warrants are proposed to be issued to the Acquirer and PAC 1 at a price of INR 390 (Indian Rupees three hundred ninety only) per Share Warrant, of which (i) 25% (twenty five percent) of the said price per Share Warrant is payable to the Target Company at the time of allotment of the Share Warrant, and (ii) the balance 75% (seventy five percent) per Share Warrant is payable to the Target Company at the time of issue and allotment of the Equity Shares upon exercise of the option attached to the Share Warrants. As per applicable laws, the tenure of the Share Warrants shall not exceed 18 (eighteen) months from the date of their issue and allotment.
5. The Equity Shares proposed to be issued to the Acquirer together with the Share Warrants proposed to be issued to the Acquirer, collectively constitute 30.0% (thirty percent) of the Expanded Voting Share Capital. The Equity Shares proposed to be issued to the PAC 1 together with Share Warrants proposed to be issued to PAC 1 collectively constitute 0.2% (zero point two percent) of the Expanded Voting Share Capital.
6. The Acquirer and PAC 1 do not belong to the same group and are persons acting in concert only for the purpose of Open Offer and should not be deemed to be “person acting in concert” for any other purpose or other transaction. PAC 1 has issued a letter to the Acquirer subjecting itself to certain transfer restrictions and exit obligations in respect of Equity Shares and Share Warrants acquired pursuant to the Underlying Transactions.
7. The proposed issue of Equity Shares and Share Warrants to the Acquirer and PAC 1 pursuant to the Acquirer Subscription Agreement and the PAC 1 Subscription Agreement are collectively referred to as the “**Underlying Transactions**”. A tabular summary of the Underlying Transactions is set out below:

Type of transaction (direct / indirect)	Mode of transaction (agreement/ allotment/ market purchase)	Shares/ Voting rights acquired/ proposed to be acquired		Total consideration for shares/ voting rights acquired (INR)	Mode of paymen t (cash / securitie s)	Regulati on which has been triggere d
		Number	% vis-à-vis total Equity/ Expanded Voting Share Capital			
Direct	Agreement – Execution of the Acquirer Subscription Agreement for the subscription to Equity Shares and Share Warrants	65,333,333 Equity Shares and 16,333,333 Share Warrants (with 1 (one) Equity Share being issuable by the Target Company upon the exercise of the option attached to each Share Warrant, subject to the terms of the Share Warrants)	30.0%	INR 31,849,999,740 *	Cash	Regulati ons 3(1) and 3(2) and 4 of the SEBI (SAST) Regulati ons
	Agreement – Execution of the PAC 1 Subscription Agreement for the subscription to Equity Shares and Share Warrants	512,820 Equity Shares and 128,205 Share Warrants (with 1 (one) Equity Share being issuable by the Target Company upon the exercise of the option attached to each Share Warrant, subject to the terms of the Share Warrants)	0.2%	INR 249,999,750*	Cash	

** The total consideration payable for acquisition of Share Warrants by the Acquirer is INR 6,369,999,870 (Indian Rupees six billion three hundred sixty nine million nine hundred ninety nine thousand eight hundred seventy only) and PAC 1 is INR 49,999,950 (Indian Rupees forty nine million nine hundred ninety nine thousand nine hundred fifty only), wherein 25% (Twenty Five Percent) of the total consideration shall be payable upfront at the time of allotment, by Acquirer and PAC 1 respectively.*

8. Given the intent of the Acquirer (together with PAC 1 and PAC 4) is to acquire and exercise control of the Target Company pursuant to the Acquirer Subscription Agreement and the PAC 1 Subscription Agreement, and given that (a) Acquirer will be acquiring more than 25% (twenty five percent) of the Expanded Voting Share Capital; (b) the Acquirer and PAC 1 will, together with PAC 4 (which currently owns 32.2% (thirty two point two percent) of the issued and paid up voting share capital) acquire more than 5% (five percent) of the Expanded Voting Share Capital pursuant to the Underlying Transactions, this mandatory Open Offer is being made by the Acquirer and PACs in compliance with Regulations 3(1) and 3(2) and Regulation 4 of the SEBI (SAST) Regulations. Pursuant to the Offer, and consummation of the Underlying Transactions, the Acquirer (together with PAC 1 and PAC 4) will acquire control over the Target Company and the Acquirer (together with PAC 1 and PAC 4) shall be classified and disclosed as a 'promoter' of the Target Company in accordance with applicable law including the provisions of the SEBI (LODR) Regulations.

Salient features of the Subscription Agreements are set out below:

9. The completion of subscription of Equity Shares and Share Warrants by the Acquirer and PAC 1 under the Subscription Agreements is subject to the fulfillment of the conditions precedent as specified under the respective Subscription Agreements, including the following:
- (a) The Acquirer and PAC 1 having obtained the approval from the Competition Commission of India for the transactions contemplated in the Acquirer Subscription Agreement and PAC 1 Subscription Agreement;
 - (b) The Target Company having obtained the in-principle approval of the Stock Exchanges for the issue and allotment of the Equity Shares and Share Warrants;
 - (c) The Target Company having obtained the approval from the RBI for the transactions contemplated under the Subscription Agreements under the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by the RBI ("**RBI Master Direction**"), and expiry of the 30 (thirty) day public notice required pursuant to paragraph 47 of the RBI Master Direction;
 - (d) The permission to accept public deposits available to the Target Company not having been cancelled, withdrawn, modified or conditioned by the RBI;
 - (e) Receipt of all required approvals and consents from governmental authorities and third parties by the Target Company;
 - (f) Approvals from such lenders of the Target Company, as notified by the Acquirer to the Target Company, having been obtained in relation to the transactions contemplated in the Acquirer Subscription Agreement;
 - (g) Amendment to the articles of association of the Target Company to incorporate the right mentioned in paragraph 10 and 11 below; and
 - (h) Receipt of the approval of shareholders of the Target Company as contemplated under respective Subscription Agreements.
10. The Acquirer Subscription Agreement also provides that subject to the occurrence of closing under the Acquirer Subscription Agreement, no later than January 1, 2022, the post of the chairperson of the board of directors of the Target Company shall be held by any director nominated to act as the chairperson of the board of directors of the Target Company by the

Acquirer or its affiliates, out of the directors nominated to the board of directors of the Target Company by the Acquirer or its affiliates, for so long as the Acquirer together with its affiliates hold at least 40% (forty percent) of the share capital of the Target Company on a fully diluted basis.

11. The Acquirer Subscription Agreement provides for the amendment of articles of association of the Target Company for inclusion of the right mentioned in Paragraph 10 above and the following right in the articles of association of the Target Company: *“Any promoter of the Company, or a person who has licensed its brand name to the Company, shall be entitled to nominate a maximum of 2 (two) directors on the Board (including any right to nominate directors under Article 86 of these Articles of Association), subject to such person owning at least 20% (twenty percent) of the share capital of the Company”.*
12. In accordance with Regulation 26(7) of the SEBI (SAST) Regulations, the committee of independent directors of the Target Company are required to provide their written reasoned recommendations on the Offer and such recommendations are required to be published in the specified form at least 2 (two) Working Days before the commencement of the Tendering Period.
13. Upon consummation of the Underlying Transactions, the Acquirer along with PAC 1 may consider nominating Mr. Aditya Puri to the board of directors of the Target Company, in due course, subject to approval of the same by the board of directors and shareholders (subject to applicable law, and receipt of relevant approvals in relation to the same (to the extent required)).

B. Details of the Offer

1. The Public Announcement in connection with the Offer was filed on May 31, 2021 with the Stock Exchanges, sent to the Target Company on May 31, 2021 and sent to SEBI with letter dated May 31, 2021.
2. The Detailed Public Statement was published on June 7, 2021 in all editions of Financial Express (English), all editions of Jansatta (Hindi), and the Mumbai edition of Navshakti (Marathi). A copy of the PA and the Detailed Public Statement are also available on the website of SEBI (www.sebi.gov.in).
3. This Open Offer is a mandatory offer in compliance with Regulations 3(1), 3(2) and Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations, pursuant to the execution of the Subscription Agreements pursuant to which the Acquirer and PAC 1 propose to acquire, 30.0 % (thirty percent) and 0.2 % (zero point two percent), respectively, of the Expanded Voting Share Capital of the Target Company.
4. This Offer is being made by the Acquirer and the PACs, to acquire up to 70,793,011 (seventy million seven hundred ninety three thousand and eleven) Equity Shares of the Target Company, constituting 26% (twenty six percent) of the Expanded Voting Share Capital of the Target Company, at a price of INR 403.22 (Indian Rupees four hundred and three and twenty two paise only) per Equity Share, subject to the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement, this Draft Letter of Offer and to be set out in the letter of offer that is proposed to be issued in accordance with the SEBI (SAST) Regulations.
5. The Offer Price has been arrived at in accordance with Regulation 8 of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirer, in accordance with the SEBI (SAST) Regulations will be INR 28,545,157,895.42 (Indian Rupees twenty eight billion five hundred forty five million one hundred fifty seven thousand eight hundred and ninety five, and forty two paise only).
6. The Offer Price is payable in cash by the Acquirer in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
7. The Target Company does not have any partly paid-up Equity Shares or any convertible instruments other than as covered under the definition of Expanded Voting Share Capital.

8. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Shareholders is more than the Offer Size, then the Equity Shares validly tendered by the Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.
9. All the Equity Shares validly tendered by the Shareholders in this Open Offer, will be acquired by the Acquirer, fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and in accordance with the terms and conditions set forth in the PA, the DPS and this DLoF, and as will be set out in the LoF, and the tendering Shareholders shall have obtained all necessary approvals and consents required from governmental authorities and third parties for them to sell the Offer Shares on the foregoing basis.
10. The Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall only acquire the Equity Shares from the Shareholders who have validly tendered their Equity Shares in this Open Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights declared thereof.
11. As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer and the PACs, other than as set out in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*) of this DLoF, there are no statutory approvals required by the Acquirer / PACs to complete this Open Offer. However, in case any further statutory approvals are required by the Acquirer / PACs at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer and the PACs shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason outside the reasonable control of the Acquirer and the PACs, the Acquirer and / or the PACs shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
12. If Shareholders who are not persons resident in India (including non-resident Indians (“NRI”), overseas corporate bodies (“OCB”) and foreign institutional investors (“FIIs”)/Foreign Portfolio Investors (“FPIs”)) had required any approvals (including from the Reserve Bank of India (“RBI”), or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be furnished to tender shares in this Open Offer. In the event such approvals and relevant documents are not submitted, the Acquirer and the PACs reserve their right to reject such Equity Shares tendered in this Open Offer.
13. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
14. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
15. The Acquirer and/or the PACs have not acquired any Equity Shares of the Target Company between the date of the PA, and the date of this Draft Letter of Offer.
16. Where any statutory or other approval extends to some but not all of the Shareholders, the Acquirer and the PACs shall have the option to make payment to such Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
17. As on the date of this DLoF, the Acquirer and the PACs do not have any intention to dispose-off or otherwise encumber any material assets or investments of the Target Company or any of its subsidiaries, through sale, lease, encumbrance, reconstruction, restructuring or otherwise, other than

(a) in the ordinary course of business, or (b) as already agreed, disclosed and/or publicly announced by the Target Company, or (c) on account of regulatory approvals or conditions, or compliance with any law that is or becomes binding on or applicable to the operations of the Target Company. The Acquirer, together with PAC 1 and PAC 4 reserve the right to streamline/restructure the operations, assets, liabilities and/ or businesses of the Target Company through arrangement/reconstruction, restructuring, buybacks, merger, demerger/ delisting of the Equity Shares of the Target Company from the Stock Exchanges and/ or sale of assets or undertakings upon completion of the Open Offer. The Acquirer and/or the PACs may also consider disposal of or otherwise encumbering any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company and/or its subsidiaries, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law.

18. If the Acquirer intends to alienate any material asset of the Target Company or any of its subsidiaries within a period of 2 (two) years from the date of completion of this Open Offer, a special resolution of the Shareholders of the Target Company or any of its subsidiaries, as applicable, in accordance with proviso to Regulation 25(2) of the SEBI (SAST) Regulations would be taken before undertaking any such alienation of any material assets.
19. As per Regulation 38 of the SEBI (LODR) Regulations (*defined above*) read with Rule 19A of the SCRR (*as defined above*), the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer and the Underlying Transactions, in the event that the public shareholding of the Target Company falls below the minimum public shareholding requirement as per SCRR, as amended, and the SEBI (LODR) Regulations (“**MPS Requirement**”), the Acquirer and the PACs undertake to take necessary steps (or cause the other promoters of the Target Company to take necessary steps) to bring down the non-public shareholding in the Target Company, to the level specified within the time prescribed in, and in accordance with the SCRR, SEBI (SAST) Regulations and other applicable SEBI guidelines / regulations.
20. The Manager to the Offer does not hold any Equity Shares of the Target Company. The Manager to the Offer shall not deal, on its own account, in the Equity Shares of the Target Company during the Offer Period.

C. Object of the Acquisition / Offer

1. Given the intent of the Acquirer (together with PAC 1 and PAC 4) is to acquire and exercise control of the Target Company pursuant to the Acquirer Subscription Agreement and the PAC 1 Subscription Agreement, and given that (a) Acquirer will be acquiring more than 25% (twenty five percent) of the Expanded Voting Share Capital, (b) the Acquirer and PAC 1 will, together with PAC 4 (which currently owns 32.2% (thirty two point two percent) of the issued and paid up voting share capital) acquire more than 5% (five percent) of the Expanded Voting Share Capital pursuant to the Underlying Transactions, this mandatory Open Offer is being made by the Acquirer and PACs in compliance with Regulations 3(1), 3(2) and 4 of the SEBI (SAST) Regulations. Pursuant to the Offer and consummation of the Underlying Transactions, the Acquirer (together with PAC 1 and PAC 4) will acquire control over the Target Company and the Acquirer (together with PAC 1 and PAC 4) shall be classified and disclosed as a ‘promoter’ of the Target Company in accordance with applicable law including in accordance with the provisions of the SEBI (LODR) Regulations. Following the completion of the Offer, the Acquirer and PAC 1 will continue to work with the Target Company to accelerate its growth for the benefit of all stakeholders.
2. Subsequent to the completion of the Open Offer, the Acquirer together with PAC 1 and PAC 4 reserve the right to streamline/restructure the operations, assets, liabilities and/ or businesses of the Target Company through arrangement/reconstruction, restructuring, buybacks, merger, demerger/ delisting of the Equity Shares of the Target Company from the Stock Exchanges and/ or sale of assets or undertakings, after completion of the Open Offer. The Acquirer may also consider disposal of or otherwise encumbering any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, reconstruction, restructuring and/or re-negotiation or termination

of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company and/or its subsidiaries, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law.

D. SHAREHOLDING AND ACQUISITION DETAILS

- The current and proposed shareholding of the Acquirer and the PACs in the Target Company and the details of their acquisition are as follows:

Details	Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	PAC 5	Total
Name	Pluto Investments S.à r.l.	Salisbury Investments Private Limited	Carlyle Asia Partners IV, S.C.Sp.	Carlyle Asia Partners V, S.C.Sp.	Quality Investment Holdings	CAP IV AIV Mauritius Limited	-
Address	9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg	G03, Vinayak Angan, Prabhadevi, Near Bengal Chemicals, Mumbai, India – 400025	9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg	9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg	Apex Group Ltd., Lot 15 A3, 1 st Floor, Cybercity, Ebene 72201, Mauritius.	Apex Group Ltd., Lot 15 A3, 1 st Floor, Cybercity, Ebene 72201, Mauritius.	-
Name(s) of persons in control / promoters, where Acquirer / PACs are companies	The Acquirer has two shareholders (a) Porto Holdings S.à r.l. and (b) Pluto Holdings S.à r.l., both of which are private limited liability companies incorporated under the laws of Luxembourg and belong to the group of entities doing business globally as, 'The Carlyle Group'.	PAC 1 is a Non-Banking Finance Company registered with the Reserve Bank of India and controlled by Aditya Puri family	PAC 2 is a special limited partnership acting through its general partners (i.e. CAP IV Lux GP, S.à r.l. (Luxembourg) and CAP IV General Partner, L.P. (Cayman Islands)) and is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ Q:CG).	PAC 3 is a special limited partnership acting through its general partners (i.e. CAP V Luxembourg GP, S.à r.l. (Luxembourg) and CAP V General Partner, L.P. (Cayman Islands)) and is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ Q:CG).	PAC 4 is a private company limited by shares. PAC 5 owns 93.66% stake in PAC 4, ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ Q:CG).	PAC 5 is a public company limited by shares, and is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ Q:CG).	-

Name of the Group, if any, to which the Acquirer / PAC belongs to	The Acquirer belongs to the group of entities doing business globally as, 'The Carlyle Group'. The Acquirer is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ Q:CG).	Aditya Puri family	PAC 2 belongs to the group of entities doing business globally as, 'The Carlyle Group'. PAC 2 is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ Q:CG).	PAC 3 belongs to the group of entities doing business globally as, 'The Carlyle Group'. PAC 3 is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ Q:CG).	PAC 4 belongs to the group of entities doing business globally as, 'The Carlyle Group'. PAC 4 is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ Q:CG).	PAC 5 belongs to the group of entities doing business globally as, 'The Carlyle Group'. PAC 5 is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ Q:CG).	-
Pre-transaction share-holding • Number • % of Expanded Voting Share Capital	NIL*	NIL	NIL*	NIL*	5,41,92,300 Equity Shares, constituting 19.9 % of the Expanded Voting Share Capital	NIL*	NIL
Proposed share-holding after the acquisition of shares which triggered the Open Offer	** 136,126,344 Equity Shares and 16,333,333 Share Warrants, together constituting 56.0% of the Expanded Voting Share Capital*	512,820 Equity Shares and 128,205 Share Warrants, together constituting 0.2% % of the Expanded Voting Share Capital	NIL	NIL	5,41,92,300 Equity Shares, constituting 19.9 % of the Expanded Voting Share Capital	NIL	** 190,831,464 Equity Shares and 16,461,538 Share Warrants, together constituting 76.1% of the Expanded Voting Share Capital
Any other interest in the Target Company	NIL	NIL	NIL	NIL	Kapil Modi and Sunil Kaul have been appointed as nominee directors	NIL	-

					of PAC 4 in the Target Company		
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***Assuming full acceptance in the Offer and completion of the Underlying Transactions.*

2. The Acquirer, the PACs and their respective directors do not have any shareholding in the Target Company as on the date of the Public Announcement, the Detailed Public Statement and this Draft Letter of Offer other than 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares, constituting 19.9% (nineteen point nine percent) of the Expanded Voting Share Capital held by PAC 4.

II. BACKGROUND OF THE ACQUIRER AND THE PACS

A. ACQUIRER

1. The Acquirer is Pluto Investments S.à r.l, a private limited liability company incorporated under the laws of Luxembourg on April 8, 2021. The name of the Acquirer has not changed since its incorporation.
2. The Acquirer has its registered office at 9, Rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg.
3. The Acquirer has been incorporated to act as an investment holding company.
4. The Acquirer belongs to the group of entities doing business globally as, ‘The Carlyle Group’.
5. The Acquirer has two shareholders: (a) Porto Holdings S.à r.l., (a private limited liability company incorporated under the laws of Luxembourg) holding a 10% (ten percent) stake in the Acquirer; and (b) Pluto Holdings S.à r.l. (a private limited liability company incorporated under the laws of Luxembourg) holding a 90% (ninety percent) stake in the Acquirer.
6. Porto Holdings S.à r.l. is a wholly owned subsidiary of Porto Intermediate S.à r.l. which is a wholly owned subsidiary of Porto Parent S.à r.l., which in turn is 93.66% (ninety three point six six percent) owned by PAC 2.
7. Pluto Holdings S.à r.l. is a wholly subsidiary of Pluto Parent S.à r.l., which in turn is a wholly owned subsidiary of CAP V Participations S.à r.l. PAC 3 owns 90.40% (ninety point four zero percent) stake in CAP V Participations S.à r.l.
8. The Acquirer is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ:CG).
9. Neither the Acquirer nor any securities issued by it are listed on any stock exchange in India or offshore.
10. As of the date of this Draft Letter of Offer, the Acquirer, its directors and key employees do not have any interest in the Target Company except for (i) the Underlying Transactions, as detailed in Part I (*Details of the Offer*) below, that has triggered this Open Offer; and (ii) shares held by PAC 4 as mentioned in paragraph E below.
11. As of the date of this Draft Letter of Offer, the Acquirer is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under the Securities and Exchange Board of India Act, 1992, as amended (“**SEBI Act**”) or any other regulations made under the SEBI Act.
12. The details of the board of directors of the Acquirer, as on the date of this DLoF, are as follows:

Details	Qualifications and Experience
Name: Kevin Gasque DIN: N/A Date of Appointment: April 8, 2021 Designation: Manager	Kevin Gasque is a Managing Director and the Chief Financial Officer for the Asia and Real Assets segment. He is based in Washington, DC. Prior to joining Carlyle, Mr. Gasque was a Senior Manager in the Financial Analysis and Compliance Team at American Capital, focusing on portfolio company valuations and transaction due diligence. Prior to that, Mr. Gasque was the Vice President of Finance for the Washington Redskins. Mr. Gasque received his BBA in accounting from James Madison University and was a CPA in the State of Virginia from 2005 to 2008.

Details	Qualifications and Experience
	Mr. Gasque is on the board of Cogentrix Power Holdings. Additionally, he serves on behalf of Carlyle as the Chief Financial Officer of Regalwood Global Energy.
Name: William Cagney DIN: N/A Date of Appointment: April 8, 2021 Designation: Manager	<p>William Cagney is a Vice President and is in charge of the finance department of the Carlyle Luxembourg office, which oversees the accounting for holding companies of Carlyle Europe Buyout, Technology, Real assets and Credit funds. He is based in Luxembourg.</p> <p>Prior to joining Carlyle in 2004, Mr. Cagney worked as an accountant in the fund accounting department of a bank in Luxembourg.</p> <p>Mr. Cagney is a graduate of the University of Limerick (Ireland) with a Bachelor of Business Studies and french with a major in accountancy and finance.</p>
Name: Fabrice Huberty DIN: N/A Date of Appointment: April 8, 2021 Designation: Manager	<p>Fabrice Huberty is Head of Fund Administration at Arendt Services.</p> <p>Before joining, Fabrice was Director at a major service provider, focusing primarily on Real Estate and Private Equity international clients.</p> <p>Prior to this, he was Managing Director of a domiciliation and Family Office regulated firm.</p> <p>He was also member of various boards, including regulated companies and funds, operational and holding companies.</p> <p>Fabrice qualified as Certified Public Accountant (“Réviseur d’entreprises” in Luxembourg) in 2006 as well as Chartered Accountant in 2001.</p>

13. As of the date of this Draft Letter of Offer, none of the directors of the Acquirer are directors on the Board of the Target Company.
14. Since the Acquirer was incorporated on April 8, 2021 in Luxembourg, the Acquirer is not required to prepare the audited financial statements until December 31, 2021, as per the legal requirements applicable to companies incorporated in Luxembourg.

B. PAC 1

1. PAC 1 is Salisbury Investments Private Limited, a private limited company incorporated under the laws of India on April 22, 1994. The name of PAC 1 has not changed since its incorporation.
2. PAC 1 has its registered office at G03, Vinayak Angan, Prabhadevi, Near Bengal Chemicals, Mumbai, India – 400025.
3. PAC 1 is a Non-Banking Finance Company registered with the Reserve Bank of India.
4. PAC 1 is majority owned by the Aditya Puri family.

5. Neither PAC 1 nor any securities issued by it are listed on any stock exchange in India or offshore.
6. As of the date of this Draft Letter of Offer, PAC 1, its directors and key employees do not have any interest in the Target Company except for the Underlying Transactions, as detailed in Part I (*Details of the Offer*) below, that has triggered this Open Offer.
7. As of the date of this Draft Letter of Offer, PAC 1 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under the SEBI Act or any other regulations made under the SEBI Act.
8. The details of the board of directors of the PAC 1, as on the date of this DLoF, are as follows:

Details	Qualifications and Experience
Name: Aditya Puri DIN: 00062650 Date of Appointment: 01/12/2020 Designation: Director	Aditya Puri was the former CEO of Citibank, Malaysia in 1992 and former Managing Director of HDFC Bank from 1994 to 2020. Mr. Puri has several years of experience in the financial services sector including the Banking Sector. Mr. Puri has a bachelor's degree in Commerce from Punjab University, Chandigarh. He is also a Chartered Accountant from the Institute of Chartered Accountants of India.
Name: Bharat Dhirajlal Shah DIN: 00136969 Date of Appointment: 12/03/2009 Designation: Director	Bharat Dhirajlal Shah was the Head of- Custody Depository at HDFC Bank, and at present he is the chairman at Exide Industries Ltd and HDFC Securities Ltd and Board member at Strides Pharma Science Ltd and at Mahindra Life space Developers. Mr. Shah has several years of experience in the financial services sector including the Banking Sector. Mr. Shah has a bachelor's degree from University of Mumbai. He is also a Post Graduate from University of London.
Name: Avinash Datta DIN: 03156789 Date of Appointment: 14/10/1994 Designation: Director	Avinash Datta was the Advisor International Business Development at Mahindra and Mahindra and President & Managing Director at Mahindra China Tractor Co Ltd; presently he is an Advisor at Flux Auto. Mr. Datta has a bachelor's degree from Mayo College Ajmer. He is also an MBA from Birla Institute of Technology and Science, Pilani
Name: Anita Puri DIN: 02516200 Date of Appointment: 01/12/2020 Designation: Director	Anita Puri is an Entrepreneur and Home Maker. Mrs. Puri has a bachelor's degree in Commerce.

9. As of the date of this Draft Letter of Offer, none of the directors of PAC 1 are directors on the Board of the Target Company.
10. The key financial information of PAC 1 is below. This is based on audited financial statements of the PAC 1 for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, audited by Kothari & Mehta Chartered Accountants, the statutory auditor of PAC 1.

Statement of Profit and Loss

Particulars	As at and for financial year ended March 31, 2021 (Audited)	As at and for financial year ended March 31, 2020 (Audited)	As at and for financial year ended March 31, 2019 (Audited)
	(In INR mn)	(In INR mn)	(In INR mn)
Income from Operations	10.15	16.21	17.85
Other Operating Income	-	0.06	0.02
Total Income	10.15	16.27	17.87
Total Expenditure ¹	3.87	10.85	6.75
Profit Before Depreciation Interest and Tax	6.28	5.42	11.12
Depreciation	0.84	0.91	0.15
Interest ²	0.00	0.00	0.00
Profit Before Tax	5.44	4.51	10.97
Provision for Tax	0.66	(0.46)	1.07
Profit After Tax	4.78	4.97	9.90

(1) Excludes interest and depreciation and amortization expense

(2) Represents total finance cost

Balance Sheet Statement

Particulars	As at and for financial year ended March 31, 2021 (Audited)	As at and for financial year ended March 31, 2020 (Audited)	As at and for financial year ended March 31, 2019 (Audited)
	(In INR mn)	(In INR mn)	(In INR mn)
Source of funds			
Paid up share capital ³	0.95	0.95	0.95
Reserves and Surplus (excluding revaluation reserves)	186.28	181.51	176.54
Net worth	187.23	182.46	177.49
Secured Loans	-	-	-
Unsecured Loans	15.00	35.00	35.00
Deferred Tax Liabilities	-	-	0.02
Current Liabilities	26.64	24.06	18.24
Total	228.87	241.52	230.75

Uses of funds			
Net Fixed Assets	3.37	2.00	2.92
Investments	190.26	182.99	173.32
Long term loans and advances ¹	0.18	0.12	-
Net Current Assets ²	35.06	56.40	54.52
Total miscellaneous expenditure not written off	-	-	-
Total	228.87	241.52	230.75

(1) Includes deferred tax assets

(2) Includes cash and cash equivalents and short term loans and advances

Other financial data

Particulars	As at and for financial year ended March 31, 2021	As at and for financial year ended March 31, 2020	As at and for financial year ended March 31, 2019
	(Audited)	(Audited)	(Audited)
	(In INR)	(In INR)	(In INR)
Dividend (%)	0.0%	0.0%	0.0%
Basic and diluted earnings per share	50.27	52.32	104.22
Return on Net Worth (%)	2.55%	2.72%	5.58%
Book value per share	1,970.88	1,920.61	1,868.28

11. There are no contingent liabilities of PAC 1, as mentioned in its audited financial statements as of and for the financial year ended March 31, 2021.

C. PAC 2

- PAC 2 is Carlyle Asia Partners IV, S.C.Sp., a special limited partnership incorporated under the laws of Luxembourg (Company Registration Number: B253515) on March 31, 2021. CAP IV Lux GP, S.à r.l. (Luxembourg) and CAP IV General Partner, L.P. (Cayman Islands) are the general partners of PAC 2. The name of PAC 2 has not changed since its incorporation.
- PAC 2 has its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg.
- PAC 2 has been incorporated to act as an investment holding entity.
- PAC 2 belongs to the group of entities doing business globally as, 'The Carlyle Group'.
- PAC 2 is ultimately sponsored and managed by The Carlyle Group Inc. The Carlyle Group Inc. is listed on NASDAQ bearing reference as NASDAQ:CG.
- Neither PAC 2 nor any securities issued by it are listed on any stock exchange in India or offshore.
- As of the date of this Draft Letter of Offer, PAC 2, its managers and key employees do not have any interest in the Target Company, except for (i) any indirect interest in the Underlying Transactions, as detailed in Part I (*Details of the Offer*) below, that has triggered this Open Offer; and (ii) PAC 4, an entity belonging to the group of entities doing business globally as "The Carlyle Group", holds 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Target Company which represents 19.9 % (nineteen point nine percent) of the Expanded Voting

Share Capital.

8. As of the date of this Draft Letter of Offer, PAC 2 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
9. The details of the managers of PAC 2, as on the date of this Draft Letter of Offer, are as follows:

Details	Qualifications and Experience
<p>Name: Kevin Gasque DIN: N/A Date of Appointment: March 29, 2021 Designation: Manager</p>	<p>Kevin Gasque is a Managing Director and the Chief Financial Officer for the Asia and Real Assets segment. He is based in Washington, DC.</p> <p>Prior to joining Carlyle, Mr. Gasque was a Senior Manager in the Financial Analysis and Compliance Team at American Capital, focusing on portfolio company valuations and transaction due diligence. Prior to that, Mr. Gasque was the Vice President of Finance for the Washington Redskins.</p> <p>Mr. Gasque received his BBA in accounting from James Madison University and was a CPA in the state of Virginia from 2005 to 2008.</p> <p>Mr. Gasque is on the board of Cogentrix Power Holdings. Additionally, he serves on behalf of Carlyle as the Chief Financial Officer of Regalwood Global Energy.</p>
<p>Name: William Cagney DIN: N/A Date of Appointment: March 29, 2021 Designation: Manager</p>	<p>William Cagney is a Vice President and is in charge of the finance department of the Carlyle Luxembourg office, which oversees the accounting for holding companies of Carlyle Europe Buyout, Technology, Real assets and Credit funds. He is based in Luxembourg.</p> <p>Prior to joining Carlyle in 2004, Mr. Cagney worked as an accountant in the fund accounting department of a bank in Luxembourg.</p> <p>Mr. Cagney is a graduate of the University of Limerick (Ireland) with a Bachelor of Business Studies and French with a major in accountancy and finance.</p>
<p>Name: Jeremy Anderson DIN: N/A Date of Appointment: March 29, 2021 Designation: Manager</p>	<p>Jeremy W. Anderson is a Managing Director and Chief Financial Officer for Carlyle's U.S. Buyout, Global Financial Services, and Global Partners funds. He also serves as the Deputy Chief Financial Officer across all of Carlyle's Corporate Private Equity business segment, which represents more than \$72 billion of assets under management across Europe, Asia, Africa and the Americas. As a fund Chief Financial Officer, Mr. Anderson is responsible for overseeing the administration of these funds, including fund formation, deal structuring, financial reporting, investment valuations, compliance management and investor relations. He is based in Washington, DC.</p> <p>Since joining Carlyle in 1999, Mr. Anderson has played a key role in the fundraising of several of Carlyle's largest buyout funds as well as numerous co-investment opportunities. He also works closely with the investment professionals, deal counsel and internal legal counsel, as well as the fund investment committees, to assist with deal execution on acquisitions and divestitures while ensuring that transactions are being completed in accordance with fund requirements.</p>

<p>Name: Christophe Lentschat DIN: N/A Date of Appointment: March 29, 2021 Designation: Manager</p>	<p>Christophe Lentschat is a member of the Management Committee of Arendt Services.</p> <p>Before joining Arendt Services, Christophe was Managing Director of the Luxembourg office of an international fund administrator, specialising in fund administration, transfer agency services and corporate governance.</p> <p>Prior to this, Christophe set up the Luxembourg office of a fund servicing company and managed it for 5 years, served as Head of Sales, Product Development and Marketing at a large Luxembourg fund administration for 10 years and was a Management Consultant with a Big Four firm from 1997 to 2000. He began his professional life in 1995 with a large global asset manager in Germany, where he worked as a Product Manager.</p> <p>Over the course of his career, Christophe has also held several positions as Director with numerous Luxembourg funds. He is currently the Responsable du Contrôle (RC) for multiple funds and acts collegially as Member of the Board as a Responsable du Respect.</p> <p>Christophe is an active member of Association of the Luxembourg Fund Industry (ALFI) technical committees and forums, where he currently acts as co-chairperson of the Leading Edge Conference steering committee in charge of organising technical industry conferences, particularly on AML matters.</p> <p>Christophe holds a Master Grande Ecole from Neoma Business School (France, formerly known as Sup de Co Reims), and an Executive MBA from the Kellogg School of Management at Northwestern University (USA) and WHU (Germany).</p>
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10. As of the date of this Draft Letter of Offer, none of the managers of PAC 2 are directors on the Board of the Target Company.
11. Since PAC 2 was incorporated on March 31, 2021 in Luxembourg, PAC 2 is not required to prepare the audited financial statements until December 31, 2021 as per the legal requirements applicable to companies incorporated in Luxembourg.

D. PAC 3

1. PAC 3 is Carlyle Asia Partners V, S.C.Sp., a special limited partnership incorporated under the laws of Luxembourg (Company Registration Number: B253566) on April 6, 2021. CAP V Luxembourg GP, S.à r.l. (Luxembourg) and CAP V General Partner, L.P. (Cayman Islands) are the general partners of PAC 3. The name of PAC 3 has not changed since its incorporation.
2. PAC 3 has its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg.
3. PAC 3 has been incorporated to act as an investment holding entity.
4. PAC 3 belongs to the group of entities doing business globally as, 'The Carlyle Group'.
5. PAC 3 is ultimately sponsored and managed by The Carlyle Group Inc. The Carlyle Group Inc. is listed on NASDAQ bearing reference as NASDAQ:CG.
6. Neither PAC 3 nor any securities issued by it are listed on any stock exchange in India or offshore.

7. As of the date of this Draft Letter of Offer, PAC 3, its managers and key employees do not have any interest in the Target Company, except for (i) any indirect interest in the Underlying Transactions, as detailed in Part I (*Details of the Offer*) below, that has triggered this Open Offer; and (ii) PAC 4, an entity belonging to the group of entities doing business globally as “The Carlyle Group”, holds 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Target Company which represents 19.9% (nineteen point nine percent) of the Expanded Voting Share Capital.
8. As of the date of this Draft Letter of Offer, PAC 3 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
9. The details of the managers of PAC 3, as on the date of this Draft Letter of Offer, are as follows:

Details	Qualifications and Experience
Name: Kevin Gasque DIN: N/A Date of Appointment: March 29, 2021 Designation: Manager	Kevin Gasque is a Managing Director and the Chief Financial Officer for the Asia and Real Assets segment. He is based in Washington, DC. Prior to joining Carlyle, Mr. Gasque was a Senior Manager in the Financial Analysis and Compliance Team at American Capital, focusing on portfolio company valuations and transaction due diligence. Prior to that, Mr. Gasque was the Vice President of Finance for the Washington Redskins. Mr. Gasque received his BBA in accounting from James Madison University and was a CPA in the state of Virginia from 2005 to 2008. Mr. Gasque is on the board of Cogentrix Power Holdings. Additionally, he serves on behalf of Carlyle as the Chief Financial Officer of Regalwood Global Energy.
Name: William Cagney DIN: N/A Date of Appointment: March 29, 2021 Designation: Manager	William Cagney is a Vice President and is in charge of the finance department of the Carlyle Luxembourg office, which oversees the accounting for holding companies of Carlyle Europe Buyout, Technology, Real assets and Credit funds. He is based in Luxembourg. Prior to joining Carlyle in 2004, Mr. Cagney worked as an accountant in the fund accounting department of a bank in Luxembourg. Mr. Cagney is a graduate of the University of Limerick (Ireland) with a Bachelor of Business Studies and French with a major in accountancy and finance.
Name: Jeremy Anderson DIN: N/A Date of Appointment: March 29, 2021 Designation: Manager	Jeremy W. Anderson is a Managing Director and Chief Financial Officer for Carlyle’s U.S. Buyout, Global Financial Services, and Global Partners funds. He also serves as the Deputy Chief Financial Officer across all of Carlyle’s Corporate Private Equity business segment, which represents more than \$72 billion of assets under management across Europe, Asia, Africa and the Americas. As a fund Chief Financial Officer, Mr. Anderson is responsible for overseeing the administration of these funds, including fund formation, deal structuring, financial reporting, investment valuations, compliance management and investor relations. He is based in Washington, DC. Since joining Carlyle in 1999, Mr. Anderson has played a key role in the fundraising of several of Carlyle’s largest buyout funds as well as numerous co-investment opportunities. He also works closely with the investment professionals, deal counsel and internal legal counsel, as well as the fund investment committees, to assist with deal execution on acquisitions and divestitures while ensuring that transactions are being completed in accordance with fund requirements.

<p>Name: Christophe Lentschat DIN: N/A Date of Appointment: March 29, 2021 Designation: Manager</p>	<p>Christophe Lentschat is a member of the Management Committee of Arendt Services.</p> <p>Before joining Arendt Services, Christophe was Managing Director of the Luxembourg office of an international fund administrator, specialising in fund administration, transfer agency services and corporate governance.</p> <p>Prior to this, Christophe set up the Luxembourg office of a fund servicing company and managed it for 5 years, served as Head of Sales, Product Development and Marketing at a large Luxembourg fund administration for 10 years and was a Management Consultant with a Big Four firm from 1997 to 2000. He began his professional life in 1995 with a large global asset manager in Germany, where he worked as a Product Manager.</p> <p>Over the course of his career, Christophe has also held several positions as Director with numerous Luxembourg funds. He is currently the Responsable du Contrôle (RC) for multiple funds and acts collegially as Member of the Board as a Responsable du Respect.</p> <p>Christophe is an active member of Association of the Luxembourg Fund Industry (ALFI) technical committees and forums, where he currently acts as co-chairperson of the Leading Edge Conference steering committee in charge of organising technical industry conferences, particularly on AML matters.</p> <p>Christophe holds a Master Grande Ecole from Neoma Business School (France, formerly known as Sup de Co Reims), and an Executive MBA from the Kellogg School of Management at Northwestern University (USA) and WHU (Germany).</p>
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10. As of the date of this Draft Letter of Offer, none of the managers of PAC 3 are directors on the Board of the Target Company.

11. Since PAC 3 was incorporated on April 6, 2021 in Luxembourg, PAC 3 is not required to prepare the audited financial statements until December 31, 2021 as per the legal requirements applicable to companies incorporated in Luxembourg.

E. PAC 4

1. PAC 4 is Quality Investment Holdings, a private limited company incorporated under the laws of Mauritius (Company Registration Number: 124016) on July 8, 2014 and PAC 5 owns 93.66% (ninety three point sixty six percent) stake in PAC 4. The name of PAC 4 has not changed since its incorporation.

2. PAC 4 has its registered office at Apex Group Ltd., Lot 15 A3, 1st Floor, Cybercity, Ebene 72201, Mauritius.

3. PAC 4 has been incorporated to act as an as an investment holding company.

4. PAC 4 belongs to the group of entities doing business globally as, 'The Carlyle Group'.

5. PAC 4 is ultimately sponsored and managed by The Carlyle Group Inc. The Carlyle Group Inc. is listed on NASDAQ bearing reference as NASDAQ:CG.

6. Neither PAC 4 nor any securities issued by it are listed on any stock exchange in India or offshore.

7. As of the date of this Draft Letter of Offer, PAC 4 holds 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Company which represents 19.9% (nineteen-point nine percent) of the Expanded Voting Share Capital. PAC 4 does not intend to

subscribe to or acquire any Equity Shares or Share Warrants of the Target Company as part of the Underlying Transactions or the Open Offer.

8. As of the date of this Draft Letter of Offer, PAC 4 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
9. The details of the board of directors of PAC 4, as on the date of this Draft Letter of Offer, are as follows:

Details	Qualifications and Experience
Name: Tej Kumar Gujadhur DIN: N/A Date of Appointment: July 8, 2014 Designation: Director	Mr. Tej Gujadhur has spent 16 years in the financial sector in Europe and USA with a focus on the private equity and hedge fund industries in London, Dublin and New York both as a senior manager with Ernst & Young and senior in-house positions. He has been the Chief Financial Officer (“CFO”) of The Children's Investment Fund and its affiliates, with assets in excess of \$15billion. He was, until 2010, the CFO of Apollo Management's European distressed and principal finance business. He co-founded GFin Corporate Services Ltd. (“GFin”) in early 2011 after leaving Apollo Management to relocate to his home country of Mauritius.
Name: Santosh Kumar Gujadhur DIN: N/A Date of Appointment: July 8, 2014 Designation: Director	Mr. Santosh K. Gujadhur is the co-founder and a director of GFin Corporate Services Ltd (“GFin”). He has been on the board of investment funds and investment companies that have deployed in excess of \$15 billion in venture, debt or equity capital participations. Prior to the set-up of GFin in 2011, he was a corporate associate in the New York office of Sidley Austin LLP, where he focused his practice on capital markets and equity derivatives transactions and general corporate transactional work. Prior to that, he worked at Clare! Benoit Chambers, one of the band-I rated firms in Mauritius by Chambers and Partners (UK).
Name: Wayne James William Bannon DIN: N/A Date of Appointment: July 8, 2014 Designation: Director	Mr. Wayne Bannon, a solicitor admitted to the Supreme Court of England and Wales, currently serves as a Managing Director and Carlyle's General Counsel in Asia. He is responsible for legal and compliance matters in the Asia region and is based in Hong Kong. Prior to joining Carlyle, Wayne was regional counsel for the Securitized Products Group (encompassing Real Estate) and Leveraged Finance Group at Morgan Stanley, Asia. Before that, Wayne worked in the London, Tokyo and Hong Kong offices of the law firm Allen & Overy, LLP where he was a senior consultant within the Banking Department focusing on structured finance.
Name: Norma Rose Kuntz DIN: N/A Date of Appointment: July 8, 2014 Designation: Director	Norma Kuntz is a Managing Director and the Global Head of Fund Management. She is based in Washington, DC. From 2011 to 2017, Ms. Kuntz was responsible for the operations of Carlyle's Emerging Markets funds, including funds investing in Asia, Japan, Africa and Latin America. She oversaw the transaction structuring and execution, fund formation, financial reporting and investor relations for these platforms. Prior to joining The Carlyle Group, Ms. Kuntz has served various senior positions at Allied Capital Corporation.
Name: Oummi Adiilah Ibrahim Balladin DIN: N/A Date of Appointment: August 26, 2020	Ms. Ournmi Adiilah Ibrahim Balladin joined GFin Corporate Services Ltd in April 2015 and has over eight years' experience in the offshore sector. Prior to joining GFin Corporate Services Ltd, she worked for International Financial Services Limited (now a SANNE entity), a regulated Mauritian administrator where she had acquired considerable experience in company administration, accounting, tax, corporate

Designation: Director	secretarial work and managing investor relations for different types of investment vehicles. She is a member of the Association of Chartered Certified Accountants with a BSc (Hons) in Finance with Law from the University of Mauritius.
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10. As of the date of this Draft Letter of Offer, Kapil Modi and Sunil Kaul have been appointed as nominee directors of PAC 4 in the Target Company.
11. The key financial information of PAC 4 is below . This is based on the audited financial statements of PAC 4 for financial years ended December 31, 2020, December 31, 2019 and December 31, 2018, audited by Ernst & Young, the statutory auditor of the PAC 4.

Statement of Profit and Loss

Particulars	As at and for financial year ended December 31, 2020 (Audited)		As at and for financial year ended December 31, 2019 (Audited)		As at and for financial year ended December 31, 2018	
	(In USD mn)	(In INR mn)	(In USD mn)	(In INR mn)	(In USD mn)	(In INR mn)
Total Revenue	-	-	8.34	594.46	8.56	597.18
Other Operating Income	0.00	0.02	-	-	0.93	64.82
Total Income	0.00	0.02	8.34	594.46	9.49	662.00
Total Expenditure ¹	60.58	4,425.46	382.23	27,243.38	432.93	30,215.16
Profit Before Depreciation Interest and Tax	(60.58)	(4,425.44)	(373.89)	(26,648.92)	(423.44)	(29,553.16)
Depreciation	-	-	-	-	-	-
Interest ²	1.20	87.40	5.85	417.29	5.75	401.09
Profit Before Tax	(61.77)	(4,512.85)	(379.75)	(27,066.21)	(429.19)	(29,954.25)
Provision for Tax	-	-	1.42	101.38	1.46	101.84
Profit After Tax	(61.77)	(4,512.85)	(381.17)	(27,167.59)	(430.65)	(30,056.09)

Note: Since the financial statements of PAC 4 have been prepared in USD, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 73.0536 as on December 31, 2020, for the year ended December 31, 2020, 1 USD = INR 71.2740 as on December 31, 2019, for the year ended December 31, 2019, and 1 USD = INR 69.7923 as on December 31, 2019, for the year ended December 31, 2019 (Source: FBIL reference rate).

(1) Excludes interest and depreciation and amortization expense

(2) Represents total finance cost

Balance Sheet Statement

Particulars	As at and for financial year ended 31 December 2020 (Audited)		As at and for financial year ended 31 December 2019 (Audited)		As at and for financial year ended 31 December 2018 (Audited)	
	(In USD mn)	(In INR mn)	(In USD mn)	(In INR mn)	(In USD mn)	(In INR mn)
Source of funds						
Paid up share capital ¹	313.34	22,890.30	229.11	16,329.69	229.04	15,985.45
Retained Earnings	(43.00)	(3,141.57)	18.77	1,337.87	399.94	27,912.87
Net worth	270.33	19,748.73	247.88	17,667.56	628.99	43,898.32
Secured Loans	-	-	86.18	6,142.26	85.79	5,987.44
Unsecured Loans	-	-	-	-	-	-
Deferred tax Liabilities	-	-	-	-	-	-
Total	270.33	19,748.73	334.06	23,809.83	714.77	49,885.77
Uses of funds						
Net Fixed Assets	-	-	-	-	-	-
Investments ²	270.33	19,748.41	330.42	23,550.12	706.38	49,299.63
Net Current Assets ³	0.00	0.33	3.64	259.71	8.40	586.14
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total	270.33	19,748.73	334.06	23,809.83	714.77	49,885.77

Note: Since the financial statements of PAC 4 have been prepared in USD, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 73.0536 as on December 31, 2020, for the year ended December 31, 2020, 1 USD = INR 71.2740 as on December 31, 2019, for the year ended December 31, 2019, and 1 USD = INR 69.7923 as on December 31, 2019, for the year ended December 31, 2019 (Source: FBIL reference rate)

(1) Represents stated capital, capital contribution, and share application monies as at the end of the financial year

(2) Includes financial assets at fair value through profit or loss

(3) Includes cash and cash equivalents, prepayments, net of accruals and other payables

Other financial data

Particulars	As at and for financial year ended 31 December 2020 (Audited)	As at and for financial year ended 31 December 2019 (Audited)	As at and for financial year ended 31 December 2018 (Audited)
Dividend (%)	N/A	N/A	N/A
Basic and diluted earnings per share	N/A	N/A	N/A
Return on Net Worth (%)	(22.9%)	(153.8%)	(68.5%)
Book value per share	N/A	N/A	N/A

12. There are no contingent liabilities of PAC 4, as mentioned in its audited financial statements as of and for the financial year ended December 31, 2020.

F. PAC 5

1. PAC 5 is CAP IV AIV Mauritius Limited, a public company limited by shares, incorporated under the laws of Mauritius (Company Registration Number: 127456) on January 12, 2015. The name of PAC 5 has not changed since its incorporation.
2. PAC 5 has its registered office at Apex Group Ltd., Lot 15 A3, 1st Floor Cybercity, Ebene 72201, Mauritius.
3. PAC 5 is a public company limited by shares operating as an investment holding company.
4. PAC 5 belongs to the group of entities doing business globally as, 'The Carlyle Group'.
5. PAC 5 is ultimately sponsored and managed by The Carlyle Group Inc. The Carlyle Group Inc. is listed on NASDAQ bearing reference as NASDAQ:CG.
6. Neither PAC 5 nor any securities issued by it are listed on any stock exchange in India or offshore.
7. As of the date of this Draft Letter of Offer, PAC 5, its directors and key employees do not have any interest in the Target Company, except for (i) any indirect interest in the Underlying Transactions, as detailed in Part I (*Details of the Offer*) below, that has triggered this Open Offer; and (ii) PAC 4, an entity belonging to the group of entities doing business globally as "The Carlyle Group", holds 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Company which represents 19.9% (nineteen point nine percent) of the Expanded Voting Share Capital.
8. As of the date of this Draft Letter of Offer, PAC 5 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
9. The details of the board of directors of PAC 5, as on the date of this Draft Letter of Offer, are as follows:

Details	Qualifications and Experience
Name: Tej Kumar Gujadhur DIN: N/A Date of Appointment: January 12, 2015 Designation: Director	Mr. Tej Gujadhur has spent 16 years in the financial sector in Europe and USA with a focus on the private equity and hedge fund industries in London, Dublin and New York both as a senior manager with Ernst & Young and senior in-house positions. He has been the Chief Financial Officer ("CFO") of The Children's Investment Fund and its affiliates, with assets in excess of \$15 billion. He was, until 2010, the CFO of Apollo Management's European distressed and principal finance business. He co-founded GFin Corporate Services Ltd. ("GFin") in early 2011 after leaving Apollo Management to relocate to his home country of Mauritius.
Name: Santosh Kumar Gujadhur DIN: N/A Date of Appointment: January 12, 2015 Designation: Director	Mr. Santosh K. Gujadhur is the co-founder and a director of GFin Corporate Services Ltd ("GFin"). He has been on the board of investment funds and investment companies that have deployed in excess of \$15 billion in venture, debt or equity capital participations. Prior to the set-up of GFin in 2011, he was a corporate associate in the New York office of Sidley Austin LLP, where he focused his practice on capital markets and equity derivatives transactions and general corporate transactional work. Prior to that, he worked at Clare! Benoit

	Chambers, one of the band-I rated firms in Mauritius by Chambers and Partners (UK).
Name: Norma Rose Kuntz DIN: N/A Date of Appointment: January 12, 2015 Designation: Director	Norma Kuntz is a Managing Director and the Global Head of Fund Management. She is based in Washington, DC. From 2011 to 2017, Ms. Kuntz was responsible for the operations of Carlyle's Emerging Markets funds, including funds investing in Asia, Japan, Africa and Latin America. She oversaw the transaction structuring and execution, fund formation, financial reporting and investor relations for these platforms. Prior to joining The Carlyle Group, Ms. Kuntz has served various senior positions at Allied Capital Corporation.
Name: Karen Marie McMonagle DIN: N/A Date of Appointment: August 22, 2019 Designation: Director	Ms. Karen McMonagle is a Principal and is the Global Head of Transaction Management for Carlyle's Global Private Equity Funds. She is based in Washington, DC. Ms. McMonagle is responsible for driving the execution process and timeline, risk management assessment arising from deal activity, and designing and establishing operational infrastructure with teams to ensure successful and efficient transaction execution. Prior to joining The Carlyle Group, Ms. Karen McMonagle has served various senior positions at KPMG.
Name: Oummi Adiilah Ibrahim Balladin DIN: N/A Date of Appointment: August 26, 2020 Designation: Director	Ms. Ournmi Adiilah Ibrahim Balladin joined GFin Corporate Services Ltd in April 2015 and has over eight years' experience in the offshore sector. Prior to joining GFin Corporate Services Ltd, she worked for International Financial Services Limited (now a SANNE entity), a regulated Mauritian administrator where she had acquired considerable experience in company administration, accounting, tax, corporate secretarial work and managing investor relations for different types of investment vehicles. She is a member of the Association of Chartered Certified Accountants with a BSc (Hons) in Finance with Law from the University of Mauritius.

13. As of the date of this Draft Letter of Offer, none of the directors of PAC 5 are directors on the Board of the Target Company.
14. The key financial information of PAC 5 is below. This is based on audited financial statements of PAC 5 for financial years ended December 31, 2020, December 31, 2019 and December 31, 2018, audited by Ernst & Young, the statutory auditor of the PAC 5.

Statement of Profit and Loss

Particulars	As at and for financial year ended December 31, 2020 (Audited)		As at and for financial year ended December 31, 2019 (Audited)		As at and for financial year ended December 31, 2018 (Audited)	
	(In USD mn)	(In INR mn)	(In USD mn)	(In INR mn)	(In USD mn)	(In INR mn)
Total Revenue	694.51	50,736.51	56.49	4,026.15	142.12	9,918.66

Other Operating Income	539.78	39,432.60	34.94	2,490.56	1.46	102.04
Total Income	1,234.29	90,169.11	91.43	6,516.71	143.58	10,020.71
Total Expenditure ¹	0.36	26.65	0.44	31.37	538.60	37,589.90
Profit Before Depreciation Interest and Tax	1,233.92	90,142.46	90.99	6,485.33	(395.02)	(27,569.20)
Depreciation	-	-	-	-	-	-
Interest ²	1.23	90.00	0.71	50.91	5.77	402.89
Profit Before Tax	1,232.69	90,052.46	90.28	6,434.42	(400.79)	(27,972.08)
Provision for Tax	-	-	-	-	-	-
Profit After Tax	1,232.69	90,052.46	90.28	6,434.42	(400.79)	(27,972.08)

Note: Since the financial statements of PAC 4 have been prepared in USD, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 73.0536 as on December 31, 2020, for the year ended December 31, 2020, 1 USD = INR 71.2740 as on December 31, 2019, for the year ended December 31, 2019, and 1 USD = INR 69.7923 as on December 31, 2019, for the year ended December 31, 2019 (Source: FBIL reference rate).

(1) Excludes interest and depreciation and amortization expense

(2) Represents total finance cost

Balance Sheet Statement

Particulars	As at and for financial year ended December 31, 2020 (Audited)		As at and for financial year ended December 31, 2019 (Audited)		As at and for financial year ended December 31, 2018 (Audited)	
	(In USD mn)	(In INR mn)	(In USD mn)	(In INR mn)	(In USD mn)	(In INR mn)
Source of funds						
Paid up share capital ¹	1,037.70	75,807.52	957.12	68,217.95	911.39	63,607.87
Retained Earnings	911.84	66,612.85	447.95	31,927.08	453.08	31,621.68
Net worth	1,949.53	142,420.37	1,405.07	100,145.03	1,364.47	95,229.55
Secured Loans	5.00	365.27	-	-	-	-
Unsecured Loans	-	-	-	-	-	-
Deferred Tax Liabilities	-	-	-	-	-	-
Total	1,954.53	142,785.64	1,405.07	100,145.03	1,364.47	95,229.55
Uses of funds						
Net Fixed Assets	-	-	-	-	-	-
Investments ²	1,947.96	142,305.54	1,402.62	99,970.43	1,364.25	95,213.80

Net Current Assets ³	1.57	114.83	2.45	174.60	0.23	15.76
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total	1,949.53	142,420.37	1,405.07	100,145.03	1,364.47	95,229.55

Note: Since the financial statements of PAC 4 have been prepared in USD, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 73.0536 as on December 31, 2020, for the year ended December 31, 2020, 1 USD = INR 71.2740 as on December 31, 2019, for the year ended December 31, 2019, and 1 USD = INR 69.7923 as on December 31, 2019, for the year ended December 31, 2019 (Source: FBIL reference rate)

(1) Represents stated capital, capital contribution, and share application monies as at the end of the financial year

(2) Includes financial assets at fair value through profit or loss

(3) Includes cash and cash equivalents, prepayments, trade and other payables and interest expense payable

Other financial data

Particulars	As at and for financial year ended 31 December 2020 (Audited)	As at and for financial year ended 31 December 2019 (Audited)	As at and for financial year ended 31 December 2018 (Audited)
Dividend (%)	N/A	N/A	N/A
Basic and diluted earnings per share	N/A	N/A	N/A
Return on Net Worth (%)	63.2%	6.4%	(29.4%)
Book value per share	N/A	N/A	N/A

15. There are no contingent liabilities of PAC 5, as mentioned in its audited financial statements as of and for the financial year ended December 31, 2020.

III. DETAILS OF THE SELLERS

Not applicable. The Underlying Transactions do not involve any sale or purchase of Equity Shares from any existing Shareholders of the Target Company.

IV. BACKGROUND OF THE TARGET COMPANY

1. PNB Housing Finance Limited is a public listed company having corporate identification number L65922DL1988PLC033856. There has been no change in the name of the Target Company in the last 3 (three) years.
2. The Target Company has its registered office at 9th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi, India 110001. Until July 18, 1994, the registered office of the Target Company was situated at 8th Floor, DCM Building, Barakhamba Road, New Delhi.
3. The Equity Shares of the Target Company are listed on the BSE Limited (“BSE”) (Scrip Code: 540173) and National Stock Exchange of India Limited (“NSE”) (Symbol: PNBHOUSING). The ISIN of the Equity Shares is INE572E01012.
4. The Target Company is a deposit taking Housing Finance Company (NHB registration number: 01.0018.01). The Target Company is primarily engaged in the business of retail loans and corporate loans. The retail business focusses on organized mass housing segment financing for acquisition or construction of houses. In addition, it also provides loan against properties and loans for purchase & construction of non-residential premises. Corporate loans are mainly to developers for construction of residential / commercial properties, corporate term loans and lease rental discounting.

5. The Equity Shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
6. As of the date of this DLoF, the authorized share capital of the Target Company is INR 5,000,000,000 (Indian Rupees five billion only) divided into 500,000,000 (five hundred million) Equity Shares of face value of INR 10 (Indian Rupees ten only) each.
7. As of the date of this DLoF, the subscribed and fully paid-up equity share capital of the Target Company is INR 1,685,086,050 (Indian Rupees one billion six hundred eighty five million eighty six thousand fifty only) comprising 168,508,605 (one hundred sixty eight million five hundred eight thousand six hundred five) Equity Shares.
8. The Target Company does not have any partly paid-up Equity Shares or any convertible instruments other than as covered under the definition of Expanded Voting Share Capital.
9. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
10. The trading of the Equity Shares of the Target Company is not currently suspended on the Stock Exchanges.
11. The details of the board of directors of the Target Company as on the date of this Draft Letter of Offer, are as follows:

Name of Director	Director Identification Number (DIN)	Designation	Date of appointment
Mr. CH. S. S. Mallikarjuna Rao	07667641	Chairman-Non-Executive Nominee Director	20.12.2019
Mr. Sunil Kaul #	05102910	Non-Executive Nominee Director	05.03.2015
Mr. Chandrasekaran Ramakrishnan	00580842	Independent Director	07.10.2015 (Reappointed on 7.10.2020 for a second term of 5 years, subject to shareholders approval)
Mr. Nilesh S Vikamsey	00031213	Independent Director	22.04.2016 (Reappointed on 22.04.2021 for a second term of 5 years, subject to shareholders approval)
Mr. Ashwani Kumar Gupta	00108678	Independent Director	12.05.2017
Mr. Tejendra Mohan Bhasin	03091429	Independent Director	02.04.2020
Mr. Neeraj Madan Vyas	07053788	Non-Executive Non-Independent Director	01.09.2020
Mr. Sudarshan Sen	03570051	Independent Director	01.10.2020
Mr. Kapil Modi#	07055408	Non-Executive Nominee Director	01.10.2020

Name of Director	Director Identification Number (DIN)	Designation	Date of appointment
Mr. Rajneesh Karnatak	08912491	Non-Executive Nominee Director	19.01.2021
Mr. Hardayal Prasad	08024303	Managing Director and CEO	10.08.2020
Ms. Gita Nayyar	07128438	Independent Director	29.05.2021

Sunil Kaul and Kapil Modi have been appointed as nominee directors of PAC 4 in the Target Company.

12. The Target Company has not been a party to a composite scheme of arrangement during the last 3 (three) years.
13. The key financial information of the Target Company, as submitted by the Target Company to the Stock Exchanges based on its audited consolidated financial statements which have been audited by the Target Company's statutory auditor, B R Maheshwari & Co LLP (Chartered Accountants), as at and for the 12 (twelve) month period ended March 31, 2021, March 31, 2020 and March 31, 2019; are set out below:

(In INR million)

Profit & Loss Statement	As at and for financial year ended March 31, 2021 (Audited)	As at and for financial year ended March 31, 2020 (Audited)	As at and for financial year ended March 31, 2019 (Audited)
Income from operations	76,039	84,818	76,793
Other Income	202	77	39
Total Income	76,241	84,896	76,832
Total Expenditure (excluding Depreciation)	63,580	76,127	59,175
Profit Before Depreciation and Tax	12,660	8,769	17,658
Depreciation & Amortization	590	659	314
Profit Before Tax	12,070	8,110	17,344
Provision for tax	2,771	1,648	5,429
Profit after Tax	9,299	6,462	11,915

(In INR million)

Balance Sheet	As at and for financial year ended March 31, 2021 (Audited)	As at and for financial year ended March 31, 2020 (Audited)	As at and for financial year ended March 31, 2019 (Audited)
<i>Sources of funds</i>			
Paid up share capital	1,683	1,682	1,675
Reserves and Surplus (excluding revaluation reserves)	87,548	78,296	73,764
Net worth	89,230	79,978	75,439
Secured loans	401,028	497,585	485,441
Unsecured loans	192,896	179,766	233,147

Balance Sheet	As at and for financial year ended March 31, 2021 (Audited)	As at and for financial year ended March 31, 2020 (Audited)	As at and for financial year ended March 31, 2019 (Audited)
Other financial liabilities	18,155	17,769	24,292
Other Non-current Liabilities	11,983	14,200	20,370
Current Tax Liabilities	629	-	-
Total Sources of Funds	713,922	789,297	838,690
Uses of funds			
Net fixed assets ¹	1,837	2,552	1,083
Investments	20,448	20,757	45,607
Loans	606,447	666,280	742,879
Net Current Assets ²	79,529	94,174	46,044
Current Tax Assets	-	610	1,156
Deferred Tax Assets	4,296	2,859	610
Assets held for sale	1,365	2,066	1,311
Total miscellaneous expenditure not written off	-	-	-
Total Application of Funds	713,922	789,297	838,690

(1) Includes property plant and equipment, investment property, right of use assets, capital work in progress and intangible assets

(2) Includes financial assets (other than loans and investments) and other non-financial assets

(In INR million)

Other financial data	As at and for financial year ended March 31, 2021 (Audited)	As at and for financial year ended March 31, 2020 (Audited)	As at and for financial year ended March 31, 2019 (Audited)
Dividend (%)	Nil	Nil	90%
Earnings Per Share (Basic)	55.29	38.45	71.19
Earnings Per Share (Diluted)	55.26	38.41	70.76
Return on Net worth (%)	10.9%	8.1%	17.4%
Book Value Per Share	530.29	475.49	450.46

14. Shareholding pattern of the Target Company pre and post Offer is provided below (assuming full acceptance in the Offer):

1.	Shareholders' category	Shareholding and voting rights prior to the agreement/acquisition and offer (As on May 28, 2021) ⁴		Shares/voting rights agreed to be acquired which triggered off the Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer	
		(A)	(B)	(C)	(A)+(B)+(C)= (D)				
		No. of Equity Shares	%	No. of Equity Shares	% ²	No. of Equity Shares	% ²	No. of Equity Shares ²	% ²
1.	Promoter group								
A	Parties to the agreement, if any	-	-	-	-	-	-	-	-
B ¹	Promoters other than A above Punjab National Bank	54,914,840	32.6	-	-	-	-	54,914,840	20.2
	Total 1(A+B)	54,914,840	32.6	-	-	-	-	54,914,840	20.2
2.	Acquirer and PACs								

A	Pluto Investments S.à r.l	-	-	81,666,666	30.0	70,793,011	26.0	152,459,677	56.0
B	PACs								
	a. Salisbury Investments Private Limited	-	-	641,025	0.2	-	-	641,025	0.2
	b. Quality Investment Holdings	54,192,300	32.2	-	-	-	-	54,192,300	19.9
	Total 2 (A+B)	54,192,300	32.2	82,307,691	30.2	-	-	207,293,002	76.1
3.	Parties to agreement other than 1A and 2	-	-	-	-	-	-	-	-
4.	Public (other than parties to the agreement, Acquirers and PACs)³								
A	FIs/MFs/FIIs/Banks, SFIs, others (includes FPIs)	46,821,740	27.8					10,072,968	3.7
B	Others	12,339,243	7.3						
	Total 4(A+B)	59,160,983	35.2					10,072,968	3.7
	Grand Total (1+2+3+4)	168,268,123	100.0	82,307,691	30.2			272,280,810	100.0

(1) Assuming the members of the promoter group do not sell their shares during the Offer Period

(2) Calculated on the basis of Expanded Voting Share Capital of the Target Company

(3) The number of shareholders of the Target Company in the “public category” as on May 28, 2021 is 104,194

(4) The Target Company has issued 240,482 (two hundred forty thousand four hundred eight two) Equity Shares on June 10, 2021 pursuant to exercise of options under employee stock option scheme of the Target Company

V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. Justification of Offer Price

- The Equity Shares of the Target Company are listed on the Stock Exchanges.
- The trading turnover of the Equity Shares on the Stock Exchanges from May 1, 2020 to April 30, 2021, both months included (“**Relevant Period**”) (12 (twelve) calendar months preceding the calendar month in which the PA is made) are set forth below:

Stock Exchange	No. of Equity Shares of the Target Company traded during the Relevant Period (A)	Total No. of Equity Shares of the Target Company during the Relevant Period (B)*	Traded turnover percentage (A/B)
BSE	1,28,48,558	16,81,99,429	7.64%
NSE	14,03,57,096	16,81,99,429	83.45%

* (Source: www.bseindia.com and www.nseindia.com)

- Based on the above, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, and the certificate dated May 31, 2021 issued by SSPA & Co., Chartered Accountants (Firm Registration No. 1228851W) the Equity Shares of the Target Company are frequently traded. The details of SSPA & Co Chartered Accountants (Firm Registration No. 1228851W) are as follows:

Address: 1st Floor, “Arjun”, Plot No. 6A, V.P. Road, Andheri (W), Mumbai - 400058, India;
Telephone: 91 (22) 2670 4376;
Fax: 91 (22) 2670 3916;
Website: www.sspa.in.

- The Offer Price of INR 403.22 (Indian Rupees four hundred three and twenty two paise only) per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of:

a.	The highest negotiated price per Equity Share of the Target Company for any acquisition under the agreements attracting the obligation to make a public announcement of this Open Offer.	INR 390
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b.	The volume-weighted average price paid or payable for acquisitions, by the Acquirer and / or the PAC, during the 52 (fifty-two) weeks immediately preceding the date of the Public Announcement.	Not applicable
c.	The highest price paid or payable for any acquisition, by the Acquirer and / or the PAC, during the 26 (twenty-six) weeks immediately preceding the date of the Public Announcement.	Not applicable
d.	The volume-weighted average market price of the Equity Shares, for a period of 60 (sixty) trading days immediately preceding the date of the Public Announcement as traded on the NSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company has been recorded during such period, and such shares are frequently traded.	INR 403.22
e.	Where the shares are not frequently traded, the price determined by the Acquirer, the PACs and the Manager to the Offer taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.	Not applicable
f.	The per equity share value computed under regulation 8(5), if applicable	Not applicable since this is not an indirect acquisition.

Source: Certificate dated May 31, 2021 issued by SSPA & Co., Chartered Accountants

5. In view of the parameters considered and presented in the table in paragraph 4 above, the Offer Price, under Regulation 8(2) of the SEBI (SAST) Regulations, is INR 403.22 (Indian Rupees four hundred three and twenty two paise only) per Equity Share, and the same has been certified by SSPA & Co., Chartered Accountants (Firm Registration No. 1228851W), vide their certificate dated May 31, 2021. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.
6. Since the date of the PA, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split, declaration of dividend etc. where the record date for effecting such corporate actions falls within 3 (three) Working Days prior to the commencement of Tendering Period of the Offer.
7. As on date of this Draft Letter of Offer, there is no revision in Offer Price or Offer Size. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs, at any time prior to 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, (i) the Acquirer and PACs shall make corresponding increases to the escrow amounts and / or Bank Guarantee; (ii) make a public announcement in the same newspapers in which this Draft Letter of Offer has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
8. In the event of acquisition of the Equity Shares by the Acquirer and / or the PACs, during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price per equity share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts and / or Bank Guarantee; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. However, the Acquirer and / or the PACs shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period of this Open Offer and until the expiry of the Tendering Period of this Open Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be done at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period of this Open Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
9. If the Acquirer and/or PACs acquire Equity Shares of the Target Company during the period of 26

(twenty six) weeks after the Tendering Period at a price higher than the Offer Price per Equity Share, then the Acquirer and/or the PACs shall pay the difference between the highest acquisition price and the Offer Price, to all the Shareholders whose shares have been accepted in the Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or 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.

B. Financial Arrangements

1. The total funding requirement for this Offer is INR 28,545,157,895.42 (Indian Rupees twenty eight billion five hundred forty five million one hundred fifty seven thousand eight hundred and ninety five, and forty two paise only) assuming full acceptance of this Offer i.e. the Maximum Open Offer Consideration.
2. The Acquirer and the PACs have confirmed that they have made firm financial arrangements for fulfilling the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and the Acquirer is able to implement this Open Offer. The Acquirer has received an equity commitment letter from PAC 2 and PAC 3, stating the fact that necessary funds required for the Open Offer will be provided by PAC 2 and PAC 3 to fulfil the financial arrangements in connection with the Open Offer, and PAC 2 and PAC 3 have committed an amount of INR 29,972,415,793 (Indian Rupees twenty nine billion nine hundred seventy two million four hundred fifteen thousand seven hundred ninety three only) for this purpose. The source of funds is foreign funds for the Acquirer is foreign funds. SSPA & Co Chartered Accountants, with Firm Registration No. 1228851W, by its certificate dated May 31, 2021, has certified that the Acquirer has made firm financial arrangements to meet its financial obligations under the Open Offer.
3. In accordance with Regulation 17(4) of the SEBI (SAST) Regulations, the Acquirer, the Manager to the Offer and The Hongkong and Shanghai Banking Corporation Limited, having its registered office at 52/60, Mahatma Gandhi Road, Fort, Mumbai MH 400001 IN (“**Escrow Bank**”) have entered into an Escrow Agreement dated May 31, 2021 (“**Escrow Agreement**”). Pursuant to the Escrow Agreement, the Acquirer has opened an escrow account under the name and title of “HSBC – PLUTO INVESTMENTS – OPEN OFFER – ESCROW ACCOUNT” bearing account number 002-015311-001 (“**Escrow Account**”) with the Escrow Bank and has made a cash deposit of INR 285,451,579 (Indian Rupees two hundred eight -five million four hundred fifty one thousand five hundred seventy nine only) in the Escrow Account in accordance with the Regulation 17(5) of the SEBI (SAST) Regulations. This cash deposit is equal to 1% of the Maximum Open Offer Consideration, and has been confirmed vide a confirmation letter dated June 2, 2021 issued by the Escrow Bank. The Manager to the Open Offer has been solely authorised by the Acquirer to operate and realise the monies lying to the credit of the Escrow Account, in terms of the SEBI (SAST) Regulations.
4. The Acquirer has also furnished an unconditional, irrevocable, and on demand bank guarantee dated June 2, 2021, for an amount of INR 3,604,515,790 (Indian Rupees three billion six hundred four million five hundred fifteen thousand seven hundred ninety only) from The Hongkong and Shanghai Banking Corporation Limited, having its registered office at 1, Queens Road Central, Hong Kong, India corporate office at 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 and acting through its office at 11th Floor, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063 (“**Bank Guarantee**”), in favour of the Manager to the Open Offer. The Bank Guarantee is valid up to November 30, 2021. The Manager to the Offer has been duly authorised to realize the value of the aforesaid Bank Guarantee in terms of the SEBI (SAST) Regulations. The Acquirer and the PACs undertake that in case the Open Offer is not completed within the validity of the Bank Guarantee, then the Bank Guarantee will be further extended at least up to the 30th day from the date of completion of payment of the Equity Shares validly tendered in the Open Offer. The bank issuing the Bank Guarantee is neither an associate company nor a group company of the Acquirer, the PACs or the Target Company.
5. Based on the above, the Manager to the Open Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PACs to fulfil their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

6. In case of any upward revision in the Offer Price or the Offer Size, the cash in the Escrow Account and / or the amount of the Bank Guarantee, shall be increased by the Acquirer and PACs in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VI. TERMS AND CONDITIONS OF THE OFFER

A. Operational Terms and Conditions

1. In terms of the indicative schedule of activities, the Tendering Period for the Offer shall commence on July 22, 2021 and close on August 04, 2021.
2. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, declared hereafter, and the tendering Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
3. The locked-in Equity Shares, if any, may be transferred to the Acquirer subject to the continuation of the residual lock -in period in the hands of the Acquirer, as may be permitted under applicable law. It is the sole responsibility of the Shareholder tendering their Equity Shares, to ensure that the locked-in Equity Shares are free from lock-in before such transfer to Acquirer. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares.
4. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
5. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
6. The Identified Date for this Offer as per the indicative schedule of activities is July 07, 2021.
7. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.
8. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
9. Accidental omission to dispatch the Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.
10. All the Equity Shares validly tendered under this Offer to the extent of the Offer Size will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Draft Letter of Offer.

B. Eligibility for accepting the Offer

1. The Letter of Offer shall be sent to all Shareholders holding Equity Shares whose names appear in the register of the Target Company on the Identified Date.
2. All Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer (subject to Section VI (*Terms and Conditions of the Offer*) below).
3. The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, the Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgement from SEBI's website.

4. The acceptance of this Offer by Shareholders must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
5. The acceptance of this Offer is entirely at the discretion of the Shareholder(s) of the Target Company.
6. None of the Acquirer, the PACs, the Manager or the Registrar to the Offer accepts any responsibility for any loss of documents during transit (including but not limited to Offer acceptance forms, copies of delivery instruction slips, etc.), and Shareholders are advised to adequately safeguard their interest in this regard.
7. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer and/or the PACs in consultation with the Manager to the Offer. If the number of Equity Shares validly tendered by the Shareholders under this Offer is more than the Offer Size, then the Offer Shares validly tendered by the Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer.
8. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs, at any time prior to 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts and/or Bank Guarantee; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. The Acquirer will pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Draft Letter of Offer.
9. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.

C. Statutory and Other Approvals

1. To the best of the knowledge of the Acquirer and the PACs, the regulatory / statutory approvals required to complete the Underlying Transactions and the Open Offer as on the date of this Draft Letter of Offer are:
 - (i) Approval from the Competition Commission of India for consummation of the Underlying Transactions and the Open Offer (either unconditionally, or in a form satisfactory to the Acquirer);
 - (ii) Approval from the RBI for the transactions contemplated under the Subscription Agreements under the RBI Master Direction, and expiry of the 30 (thirty) day public notice required pursuant to paragraph 47 of the RBI Master Direction (either unconditionally, or in a form satisfactory to the Acquirer);
 - (iii) In-principle approval of the Stock Exchanges for the issue and allotment of the Equity Shares and Share Warrants (either unconditionally, or in a form satisfactory to the Acquirer), applicable only for the Underlying Transactions; and
 - (iv) Approval of shareholders of the Target Company as contemplated under respective Subscription Agreements, applicable only for the Underlying Transactions.

In addition to the foregoing, if applicable, approval may also be required from the Government of India pursuant to Rule 6(a) of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 (either unconditionally, or in a form satisfactory to the Acquirer).

2. The necessary applications for these regulatory / statutory approvals shall be made shortly.
3. Except as mentioned above, as on the date of this Draft Letter of Offer, to the best knowledge of the Acquirer and the PACs, there are no statutory approvals required by the Acquirer and / or the PACs,

to complete the Underlying Transactions and this Open Offer. However, in case of any further statutory approvals being required by the Acquirer and / or the PACs, at a later date, this Open Offer shall be subject to such approvals and the Acquirer and / or the PACs shall make the necessary applications for such approvals.

4. In case of delay / non receipt of any statutory approvals required by the Acquirer and / or the PACs, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer and PACs agreeing to pay interest to the Shareholders of the Target Company (who validly tender their Equity Shares in the Open Offer) at such rate as may be specified by SEBI. Provided where the statutory approvals extend to some but not all Shareholders of the Equity Shares, the Acquirer and the PACs shall have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Open Offer.
5. If Shareholders who are not persons resident in India (including non-resident Indian (“NRI”), overseas corporate body (“OCB”) and foreign institutional investors (“FIIs”)/Foreign Portfolio Investors (“FPIs”)) had required any approvals (including from the Reserve Bank of India (“RBI”), or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be furnished to tender Equity Shares in this Open Offer. In the event such approvals and relevant documents are not submitted, the Acquirer and the PACs reserve their right to reject such Equity Shares tendered in this Open Offer.
6. The Acquirer and the PACs will have the right to withdraw this Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals whether relating to the acquisition under the Underlying Transactions or this Open Offer or those which become applicable prior to completion of the Offer are not received or are refused for any reasons which are outside the reasonable control of the Acquirer. In the event of withdrawal of this Open Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 7.1. Subject to Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*) above, all the Shareholders of the Target Company, holding the shares in dematerialized form and/or physical form, registered or unregistered are eligible to participate in this Open Offer at any time during the period from Offer Opening Date and Offer Closing Date (both days inclusive) (“**Tendering Period**”) for this Open Offer. The Letter of Offer shall be dispatched to the Shareholders of the Target Company whose name appears in the records of the Depositories as of the Identified Date.
- 7.2. The Acquirer may consider purchasing the Equity Shares tendered in the Open Offer through off-market settlement mechanism and accordingly details pertaining to off-market settlement are included herein. The final details regarding the settlement process will be provided in the Letter of Offer.
- 7.3. The Shareholders who wish to accept the Offer and tender their Equity Shares can send/deliver the Form of Acceptance-cum-Acknowledgment duly signed along with all the relevant documents to any of the collection centres of the Registrar mentioned below during working hours on or before the date of closing of the Tendering Period:

No	City	Contact person	Address	Tel. No.	Fax No.	E-mail id	Mode of delivery
1.	Mumbai	Sumeet Deshpande	Link Intime India Pvt Limited, C- 101, 247 park, 1 st floor, L.B.S. Marg, Vikhroli west, Mumbai – 400083	022-4918 6200	022-49186195	pnbhousing.off er@linkintime. co.in	Hand Delivery / Courier / Registered Post
2.	Kolkata	Kuntal Mustafi / Amit Banerjee	Link Intime India Pvt Limited, Room Nos. 502 & 503, 5th Floor, Vaishno Chamber, 6 Brabourne Road, Kolkata - West Bengal -700001	033-40049728	-	pnbhousing.off er@linkintime. co.in	Hand Delivery
3.	New Delhi	Swapan / Bharat	Link Intime India Pvt Limited, Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi -110058	011-41410592/ 93/94	-	pnbhousing.off er@linkintime. co.in	Hand Delivery
4.	Bangalore	Nagendra D. Rao	Link Intime India Pvt Limited, No. 543/A, 7th Main, 3rd Cross, S.L. Bhyrappa Road, Hanumanthanagar, Bangalore - 560 019	080 - 2650 9004	-	pnbhousing.off er@linkintime. co.in	Hand Delivery

Note: Business Hours: Monday to Friday 10 AM to 1 PM and 2 PM to 5 PM, except Saturdays, Sundays and public holidays

- 7.4. Equity Shares should not be submitted/ tendered to the Manager to the Offer, the Acquirer, the PACs or the Target Company.
- 7.5. Applicants who cannot hand deliver their documents at the collection centre referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Link Intime India Private Limited, (Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, India Telephone number: +91 22 4918 6200; Fax number: +91 22 4918 6195; Email: pnbhousing.offer@linkintime.co.in; and Contact Person: Mr. Sumeet Deshpande).
- 7.6. Shareholders who have acquired the Equity Shares but whose names do not appear in the records of the Depositories on the Identified Date or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details set out below and in the Letter of Offer. In the alternate, such holders of the Equity Shares may apply in the form of acceptance-cum-acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or from Link Intime India Private Limited (“**Registrar to the Offer**”). The application is to be sent to the Registrar to the Offer at any of the collection centres that shall be mentioned in the Letter of Offer, so as to reach the Registrar to the Offer during business hours on or before 5 p.m. on the date of closure of the Tendering Period of this Offer, together with:
- a) the DP name, DP ID, account number together with a photocopy or counterfoil of the delivery instruction slip in “off-market” mode duly acknowledged by the DP for transferring the Equity Shares to the special depository account (“**Escrow Demat Account**”), as per the details given

below:

Name of the Depository Participant	Ventura Securities Limited
DP ID	IN303116
Client ID	13453925
Account Name	LI IPL PNB HOUSING OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	NSDL
Mode of Instruction	Off Market

Note: Shareholders having their beneficiary account with CDSL must use the inter-depository delivery instruction slip for the purpose of crediting their equity shares of the Target Company in favour of the Escrow Demat Account.

- b) Shareholders have to ensure that their Equity Shares are credited in the above mentioned Escrow Demat Account, before the closure of the Tendering Period.

7.7. The procedure for tendering to be followed by Shareholders holding Equity Shares in the physical form is as detailed below:

7.7.1. Shareholders who are holding physical Equity Shares and intend to participate in the Open Offer will be required to submit to the centres mentioned above, Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein along with the complete set of documents for verification procedures to be carried out including: (i) original share certificate(s); (ii) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered Shareholder in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company; (iii) self-attested copy of the Shareholder's PAN Card; and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Shareholder has deceased, etc., as applicable.

7.7.2. In addition, if the address of the Shareholder has undergone a change from the address registered in the register of members of the Target Company, the relevant Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar Card; (ii) Voter Identity Card; or (iii) Passport.

7.7.3. Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Open Offer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard.

7.7.4. Applicants who cannot hand deliver their documents at the collection centres referred above, may send the same by speed/registered post with due acknowledgement or by courier only, at their own risk and cost, to the Registrar to the Offer at the following address, on or before the last date of the Tendering Period:

7.8. Documents to be delivered by all Shareholders holding Equity Shares in the dematerialized form:

- (a). Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the Depository Participant.

- (b). Photocopy of the delivery instruction in “off-market” mode or counterfoil of the delivery instruction slip in “off-market” mode, duly acknowledged by the Depository Participant. Please note the following:
- (i) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgment.
 - (ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Equity Shares have not been credited to the Open Offer Escrow Demat Account or for Equity Shares that are credited in the Open Offer Escrow Demat Account but the corresponding Form of Acceptance-cum-Acknowledgment has not been received as on the date of closure of the Offer.
- 7.9. Non-resident Shareholders should, in addition to the above, enclose copy(ies) of any permission(s) received from the RBI or any other regulatory authority to acquire Equity Shares held by them in the Target Company. Erstwhile OCBs are requested to seek a specific approval of the RBI for tendering their Equity Shares in the Offer and a copy of such approval must be provided along with other requisite documents in the event that any Shareholder who is an erstwhile OCB tenders its Equity Shares in the Open Offer. In case the above approvals from the RBI are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered.
- 7.10. Shareholders who have sent the Equity Shares held by them for dematerialisation need to ensure that the process of dematerialisation is completed in time for the credit in the Open Offer Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.
- 7.11. The Shareholders should also provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:
- (a). Duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder has expired;
 - (b). Duly attested power of attorney if any person apart from the Shareholder has signed the acceptance form and/or transfer deed(s);
 - (c). No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;
 - (d). In case of companies, the necessary corporate authorisation (including certified copy of board and/or general meeting resolution(s)); and
 - (e). Any other relevant documents.
- 7.12. In the event the number of Equity Shares validly tendered in the Open Offer by the Shareholders are more than the Equity Shares to be acquired under the Open Offer, the acquisition of Equity Shares from each Shareholder will be on a proportionate basis in such a way that the acquisition from any Shareholder shall not be less than the minimum marketable lot.
- 7.13. Subject to the receipt of such approvals as mentioned in in Part C (*Statutory and other Approvals*) of Section VI (*Terms and Conditions of the Offer*), the Acquirer and the PACs intend to complete all formalities, including the payment of consideration within a period of 10 (ten) Working Days from the closure of the Tendering Period and for the purpose open a special account as provided under Regulation 21(1) of the SEBI (SAST) Regulations, provided that where the Acquirer is unable to make the payment to the Shareholders who have accepted the Offer before the said period of 10 (ten) Working Days due to non-receipt of such approvals, SEBI may, if satisfied that non-receipt of such approvals was not due to any wilful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals (where applicable), grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond

such 10 (ten) Working Days period, as may be specified by SEBI from time to time.

- 7.14. The unaccepted documents in relation to transfer of Equity Shares, if any, would be returned by registered post or by ordinary post or courier at the Shareholders' sole risk. Unaccepted Equity Shares held in dematerialised form will be credited back to the beneficial owner's depository account with the respective Depository Participant as per details received from their Depository Participant. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective Depository Participants when transferred by the Registrar to the Offer. Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their Depository Participant account. Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.
- 7.15. The Registrar to the Offer will hold in trust the Form of Acceptance, Equity Shares, and/or other documents on behalf of the Shareholders of the Target Company who have accepted the Offer, until the warrants/cheques/drafts for the consideration are dispatched and unaccepted share certificate/Equity Shares, if any, are dispatched/returned to the relevant Shareholders.
- 7.16. Payment to those Shareholders whose tendered Equity Shares are found valid and in order and are approved by the Acquirer, will be done by obtaining the bank account details from the beneficiary position download to be provided by the depositories and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgment. The decision regarding (i) the acquisition (in part or full), of the Equity Shares tendered pursuant to the Offer, or (ii) rejection of the Equity Shares tendered pursuant to the Offer along with any corresponding payment for the acquired Equity Shares will be dispatched to the Shareholders by registered post or by ordinary post or courier as the case may be, at the Shareholder's sole risk. Equity Shares held in dematerialised form to the extent not acquired will be credited back to the respective beneficiary account with their respective Depository Participants as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgment.
- 7.17. For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through DC/NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post or by ordinary post or courier at the Shareholder's sole risk.
- 7.18. All cheques/demand drafts/pay orders will be drawn in the name of the first holder, in case of joint holder(s).
- 7.19. In case of rejection of Equity Shares tendered for any reason, the documents, if any, will be returned by registered post or ordinary post or courier at the Shareholder's sole risk as per the details provided in the Form of Acceptance-cum-Acknowledgement. Equity Shares held in dematerialised form, to the extent not accepted, will be returned to the beneficial owner to the credit of the beneficial owner's Depository Participant account with the respective Depository Participant as per the details furnished by the beneficial owner (s) in the Form of Acceptance-cum-Acknowledgement.
- 7.20. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 7.21. Equity Shares that are subject to any charge, lien or any other form of encumbrance are liable to be rejected in the Offer.
- 7.22. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer and/or PACs accepts no responsibility to bear or pay such additional

cost, charges and expenses (including brokerage) incurred solely by the Shareholders.

In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer and/or PACs for payment of consideration to the Shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer and the PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.

VIII. COMPLIANCE WITH TAX REQUIREMENTS

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 APPLICABLE FOR FINANCIAL YEAR 2021-22 AND THE REGULATIONS THEREUNDER, THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

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

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE OFF MARKET PROCESS. IN CASE THE OPEN OFFER IS IMPLEMENTED THROUGH THE ON-MARKET PROCESS, TAX IMPLICATIONS MENTIONED HEREIN COULD BE SUBJECT TO CHANGE.

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

8.1 General

8.1.1. The basis of charge of Indian income-tax under Income Tax Act 1961 (**'Income Tax Act'**) depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which is received or deemed to be received or accrues or arises or deemed to accrue or arise in India). In case of shares of a company, the source of income from shares will depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

8.1.2. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of

shares of Target Company should be taxable in India under the Income Tax Act.

- 8.1.3. Taxability of capital gains arising to a non-resident in India from the transfer of equity shares shall be determined on the basis of the provisions of the Income Tax Act or Double Taxation Avoidance Agreement (“DTAA”) entered between India and the country of which the non-resident seller is resident read with Multilateral Instrument (“MLI”) as may be in effect, whichever is more beneficial, subject to fulfilling relevant conditions, and non-applicability of General Anti-Avoidance Rule (“GAAR”) and maintaining and providing necessary documents prescribed under the Income Tax Act.
- 8.1.4. The Income Tax Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- 8.1.5. Based on the provisions of the Income Tax Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year
- 8.1.6. The summary of income-tax implications on tendering of listed equity shares off the recognised stock exchange in India are set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

8.2. Classification of Shareholder

8.2.1. Shareholders can be classified under the following categories:

- a) Resident Shareholders being:
- i. Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
 - ii. Others such as Company, Firms, etc.
- b) Non-Resident Shareholders being:
- i. Non-Resident Indians (“NRIs”)
 - ii. Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
 - iii. Other non-resident shareholders:
 - Company
 - Other than company

8.3. Classification of Income

8.3.1. Shares can be classified under the following two categories:

- a) Shares held as investment (Income from transfer taxable under the head “Capital Gains”).
- b) Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”).

8.3.2. Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (“CBDT”) wherein it was clarified that the tax officer would not dispute any income arising from a transfer of listed shares and securities held for more than 12 months, if the same was treated as, and offered to tax under, the head ‘Capital Gains,’ subject to genuineness of the transaction being established.

8.4. Shares held as investment

As per the provisions of the Income Tax Act, where the shares are held as investments (i.e. capital

asset), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital Gains in the hands of shareholders will be computed as per provisions of Section 48 of the Income Tax Act. Securities held by FIIs/ FPIs are treated as capital assets under Section 2(14) of the Income Tax Act (whether or not such asset is being held as a capital asset).

8.5. **Period of holding**

Depending on the period for which the shares are held, the gains will be taxable as “short-term capital gain” or “long-term capital gain”:

- a. **Short term capital assets:** Listed equity shares held for a period less than or equal to 12 (Twelve) months prior to the date of transfer. Gains arising therefrom should be taxable as “Short-Term Capital Gains” (“STCG”).
- b. **Long term capital assets:** Listed equity shares held for a period more than 12 (Twelve) months prior to the date of transfer. Gains arising therefrom should be taxable as “Long-Term Capital Gains” (“LTCG”).

8.6. **Taxability of Capital Gains in the hands of shareholders:**

8.6.1. LTCG arising from tendering of equity shares in the offer shall be subject to tax as follows:

- a. LTCG will be chargeable to tax at rate of up to 20% (plus applicable surcharge and health and education cess) in the case of a non-resident shareholder (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the Income Tax Act) in accordance with provisions of Section 112 of the Income Tax Act.
- b. In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) in accordance with provisions of Section 115AD of the Income Tax Act.
- c. For a NRI who is governed by the provisions of Chapter XII-A of the Income Tax Act, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) under Section 115E of the Income Tax Act.
- d. For a resident shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and health and education cess) without indexation.

8.6.2. Further, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are transferred, will be subject to short term capital gains tax and shall be leviable to tax at the rates prescribed in First Schedule to the Finance Act (i.e. normal tax rates applicable to different categories of persons) (plus applicable surcharge and health and education cess). In case of FIIs / FPIs, STCG would be taxable at the rate of 30% as per provisions of Section 115AD of the Income Tax Act.

8.6.3. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Section 112 or 111A of the Income Tax Act.

8.6.4. Minimum Alternate Tax (“MAT”) implications may get triggered for certain companies’ resident in India and should be assessed by each of such shareholder. Foreign companies will not be subject to MAT if the country of residence of such foreign company has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA. Likewise, for non-company shareholders, applicability of the provisions of MAT will also have to be analysed depending upon the facts of each case.

8.6.5. Non-resident shareholder can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions as prescribed under the relevant DTAA read with MLI as may be in effect, and non-applicability of GAAR and providing and maintaining necessary information and documents as prescribed under the Income-

Tax Act.

8.6.6. The tax rates mentioned above should be increased by the applicable surcharge and cess as per the provisions of the Income Tax Act (Please refer to Paragraph 8.13 below for rate of surcharge and cess).

8.7. Shares held as Stock-in-Trade

8.7.1. If the shares are held as stock-in-trade by any of the eligible Shareholders of the Target Company, then the gains will be characterized as business income and taxable under the head “Profits and Gains from Business or Profession”.

a) Resident Shareholders:

i. Profits of:

- Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.
- Domestic companies having total turnover or gross receipts during the previous year 2019-20 not exceeding INR 400,00,00,000 (Rupees Four Hundred Crores only) will be taxable at 25% from AY 2022-23.
- Domestic companies liable to pay tax under section 115BAA of the Income Tax Act will be taxable @ 22% from AY 2022-23.
- Domestic companies liable to pay tax under Section 115BAB of the Income Tax Act will be taxable @ 15% from AY 2022-23.
- For persons other than stated in (i) to (iv) above, profits will be taxable @ 30%.

ii. No benefit of indexation by virtue of period of holding will be available in any case.

b) Non-Resident Shareholders:

i. Non-resident Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant shareholder country but subject to fulfilling relevant conditions (including non-applicability of GAAR and MLI) and maintaining & providing necessary documents prescribed under the Income Tax Act.

ii. Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP and BOI, profits will be taxable at slab rates
- For foreign companies, profits will be taxed in India @ 40%
- For other non-resident Shareholders, such as foreign firms, profits will be taxed in India @ 30%.

iii. No benefit of indexation by virtue of period of holding will be available in any case.

8.7.2. In addition to the above, applicable Surcharge, Health and Education Cess are leviable for Resident and Non-Resident Shareholders. (Please refer to Paragraph 8.13 below for rate of surcharge and cess).

8.8. Tax deduction at source:

8.8.1. In case of resident shareholders:

a. As of the date of filing of this document, in absence of any specific provision under the Income Tax Act, the Acquirer and PACs are not required to deduct tax on the consideration payable to resident Shareholders pursuant to the said offer.

b. The Finance Act 2021 has introduced a new Section 194Q effective from 1 July 2021 which provides an obligation on the buyer (which is defined in the said Section) to deduct TDS at 0.1% (on an amount exceeding Indian Rupees Five Million) applicable on purchase of goods from resident seller, if the sales, gross receipts or turnover from the business carried on by the buyer

exceeds (Indian Rupees Hundred Million) in the preceding financial year. The expression 'goods' is not defined in the Section and hence, there is an ambiguity whether transaction of shares could qualify as 'goods' for the purpose of Section 194Q. Further considering, in this offer, the Acquirer (i.e. buyer) is a newly incorporated entity, which does not have any business activity / turnover in the preceding financial year at the time of filing of this DLOF, the Acquirer should not qualify as 'buyer' for the purpose of Section 194Q. However, in case at the time of acquisition of the shares, the Acquirer qualifies as buyer under Section 194Q or if there are any clarifications issued by CBDT with respect to the applicability of the above provisions before the commencement of Tendering Period, then the Acquirer shall deduct TDS as per the applicable tax rate.

8.8.2. In case of non-resident shareholders:

a. In case of FIIs / FPIs:

- Section 196D of the Income Tax Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FIIs / FPIs. Thus, no withholding of tax is required in case of consideration payable to FIIs / FPIs. The Acquirer would not deduct tax at source on the payments to FIIs / FPIs, subject to the following conditions:
 - FIIs / FPIs furnishing the copy of the registration certificate issued by SEBI (including for subaccount of FII / FPI, if any)
 - FIIs / FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations and will be liable to pay tax on their income as per the provisions of the Income Tax Act.
- If the above conditions are not satisfied, FIIs / FPIs may submit a valid and effective certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the Income Tax Act ("TDC"), along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such TDC.
- If none of the above conditions/ requirements as mentioned above are satisfied, the Acquirer shall deduct tax at the maximum tax rate applicable under the Income Tax Act (i.e. 40% in case of foreign company, 30% in case of other category of persons) on the gross consideration payable to the public shareholder, depending on category of the public shareholder.

b. In case of other non-resident shareholders (other than FIIs / FPIs covered above) holding equity shares of the Target Company:

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

tax professionals including a chartered accountant, etc.) submitted by the public shareholder for deducting a lower amount of tax at source.

- In case of ambiguity, incomplete or conflicting information, the Acquirer will arrange to deduct tax at the applicable maximum marginal rate under the Income Tax Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons) on the entire payment consideration excluding interest.
- The non-resident shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the non-resident shareholders pursuant to this offer or due to non-furnishing of tax clearance certificate. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this offer, copy of tax return filed in India, evidence of the tax paid, documents, etc.
- The responsibility of discharging the tax due on the gains (if any) is primarily on the non - resident shareholder. The non-resident shareholder must compute such gains (if any) on this transaction and immediately pay applicable taxes in India, if applicable, in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident shareholders also need to file their tax return in India inter alia considering gains arising pursuant to this Offer in consultation with their tax advisors.
- The tax rates mentioned above should be increased by the applicable surcharge and cess as per the provisions of the Income Tax Act.

8.9. For payment of interest:

8.9.1. In case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source as follows –

- a. For Non-resident shareholder - Based on certificate for deduction of tax at nil/lower rate. In an event of non-submission of certificate for deduction of tax at nil/lower rate, tax will be deducted at the maximum marginal rate as may be applicable to the Shareholder based on its status, by the Acquirer.
- b. For Resident shareholder - Payment of interest, if any, (for delay in payment of Offer consideration) by Acquirer to a resident Shareholder may be chargeable to tax, as income from other sources under Section 56 of the Income Tax Act. Section 194A of the Income Tax Act provides that payment of interest, if any, by Acquirer to a resident Shareholder shall be subject to withholding tax at 10%. Accordingly, the Acquirer will arrange to deduct the tax at the rate of 10% for any payment of interest to a resident Shareholder.

8.9.2. Notwithstanding anything contained above, no deduction of tax shall be made at source by the Acquirer where the total amount of interest payable to a resident Shareholder does not exceed INR 5,000 (Indian Rupees Five Thousand only) or a TDC from the income tax authorities indicating the amount of tax to be deducted by the Acquirer has been submitted by non-resident Shareholders with the Acquirer. Also, no tax is to be deducted on interest amount in the case of resident Shareholder being an entity specified under Section 194A(3)(iii) of the Income Tax Act if it submits a self-attested copy of the relevant registration, or notification along with the Form of Acceptance-cum-Acknowledgement.

8.10. Other withholding related provisions:

8.10.1. If PAN is not furnished by a resident shareholder or in case of non-resident public shareholders not having a PAN, the prescribed details are not furnished, the Acquirer will arrange to deduct tax at least at the rate of 20% as per Section 206AA of the Income Tax Act or at such rate as applicable and provided above for each category of the public shareholders, whichever is higher.

8.10.2. With effect from 1 July 2021, in terms of Section 206AB of the Income Tax Act, where a person (i) has not filed Indian income-tax return for two consecutive financial years preceding the relevant

financial year in which tax is required to be deducted; (ii) has an aggregate of tax deducted at source / tax collected at source of INR 50,000 (Indian Rupees Fifty Thousand only) or more in each of these two financial years and (iii) the time limit for filing India income-tax return under Section 139(1) of the Income Tax Act has expired, then the deductor is required to withhold taxes at higher of the following rates (a) at twice the rate specified in the relevant provision of the Income Tax Act; (b) at twice the rates in force; or (c) at the rate of 5%. It is clarified that the provisions of Section 206AB of the Income Tax Act are not applicable where the payee is a non-resident which does not have a permanent establishment in India. Hence, in case TDS is applicable for payment to resident Shareholders under Section 194Q, applicable TDS rate shall be 5%.

8.10.3. Further, it is also clarified that where the provisions of both Section 206AA and Section 206AB of the Income Tax Act are applicable, then taxes shall be deducted at higher of the two rates provided in Section 206AA and Section 206AB of the Income Tax Act.

8.10.4. Tax deduction certificate: The Acquirer shall issue a certificate in the prescribed form to the shareholders who have been paid consideration and interest for delay in payment of consideration, in any, after deduction of tax, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of Section 203 of the Income Act read with the Income-Tax Rules, 1962.

8.11. Requirement to submit PAN and other details:

All public shareholders are required to submit their PAN along with self-attested copy of the PAN card for income-tax purposes. In absence of PAN for non-resident public shareholders, as per Notification No. 53 /2016, F.No.370 142/16/2016-TPL, they shall furnish self-attested copy of documents containing the following details:

- a. Name, email id, contact number
- b. Address in the country of residence
- c. Tax Residency Certificate from the government of the country of residence, if the law of such country provides for issuance of such certificate and
- d. Tax identification number in the country of residence, and in case no such number is available, then a unique number on the basis of which such non-resident is identified by the government of the country of which he claims to be a resident.

8.12. Other points for consideration:

- Shareholders who wish to tender their equity shares must submit the information / documents, as applicable, all at once along with the Form of Acceptance-cum-Acknowledgement and those that may be additionally requested for by the Acquirer. The documents submitted by the shareholders along with the Form of Acceptance-cum-Acknowledgement will be considered as final. Any further / delayed submission of additional documents, unless specifically requested by the Acquirer, may not be accepted.
- Based on the documents and information submitted by the shareholder, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer.
- Taxes once deducted will not be refunded by the Acquirer under any circumstances.
- The Acquirer shall deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the shareholders, such shareholders will be responsible to pay such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

- Each public shareholder shall certify its tax residency status (i.e. whether resident or nonresident), nature of its holding (i.e. capital asset / business asset), its tax status (i.e. whether individual, firm, company, AOP/BOI, trust, any other taxable entity), and the entitlement of the non-resident public shareholder to invoke a favorable DTAA with India. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, it would be assumed that the public shareholder is a non-resident public shareholder and taxes shall be deducted treating the public shareholder as a non-resident and at the maximum marginal tax rate as may be applicable (i.e. 40% in case of foreign company, 30% in case of all other category of persons), under the Income Tax Act, on the entire consideration and interest, if any, payable to such public shareholder.
- The tax deducted by the Acquirer while making the payment to a shareholder under this offer may not be the final liability of such shareholders and shall in no way discharge the obligation of the shareholders to appropriately disclose the amount received by it, pursuant to this offer, before the income tax authorities. The rate at which tax is required to be deducted is based on the tax laws prevailing as on the date of this DLoF. If there is any change in the tax laws with regards to withholding tax rates as on the date of deduction of tax, the tax will be deducted at the rates applicable at the time of deduction of tax.
- All shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The 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.
- Securities transaction tax will not be applicable to the equity shares accepted in this offer.

8.13. Rate of Surcharge and Cess

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

A. Surcharge

- i. In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds INR 10,00,00,000 (Indian Rupees Ten Crores only) and @ 7% where the total income exceeds INR 1,00,00,000 (Indian Rupees One Crore only) but less than . INR 10,00,00,000 (Indian Rupees Ten Crores only).
- ii. In case of domestic companies liable to pay tax under Section 115BAA or Section 115BAB: Surcharge @ 10% is leviable.
- iii. In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds INR 10,00,00,000 (Indian Rupees Ten Crores only) and @ 2% where the total income exceeds INR 1,00,00,000 (Indian Rupees One crore only) but less than . INR 10,00,00,000 (Indian Rupees Ten Crores only).
- iv. In case of individuals, HUF, AOP, BOI:
 - Surcharge at the rate of 10% is leviable where the total income exceeds INR 50,00,000 (Indian Rupees Fifty Lakh only)but does not exceed INR 1,00,00,000 (Indian Rupees One crore only).
 - Surcharge at the rate of 15% is leviable where the total income exceeds INR 1,00,00,000 (Indian Rupees One crore) but does not exceed INR 2,00,00,000 (Indian Rupees Two crore only).
 - Surcharge at the rate of 25% is leviable where the total income exceeds INR 2,00,00,000 (Indian Rupees Two crore only) but does not exceed INR 5,00,00,000 (Indian Rupees Five crore only).
 - Surcharge at the rate of 37% is leviable where the total income exceeds INR 5,00,00,000 (Indian Rupees Five crore only).

However, for the purpose of income chargeable under Section 111A, 112A and 115AD (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.

- v. In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds INR 1,00,00,000 (Indian Rupees One crore only).

B. Cess

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

THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, SHAREHOLDER SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES. THE ACQUIRER AND THE PACS DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS OFFER.

APPLICABILITY OF OTHER RELEVANT LAWS IN INDIA (SUCH AS STAMP DUTY ETC.) SHALL DEPEND ON FACTS OF EACH CASE AND SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN ADVISORS FOR THE SAME.

IX. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by Shareholders at the office of the Manager to the Offer, between 10:30 a.m. and 3:00 p.m. on any Working Day (except Saturdays, Sundays and public holidays) during the period from the date of commencement of the Tendering Period (July 22, 2021) until the date of closure of the Tendering Period (August 04, 2021).

1. Copies of the constitutional documents and certificate of incorporation of the Acquirer;
2. Copies of the constitutional documents and certificate of incorporation of the PACs;
3. Certificate dated May 31, 2021 issued by SSPA & Co, Chartered Accountants (Firm Registration No. 1228851W), certifying that the Acquirer has adequate financial resources to fulfill its obligations under this Offer;
4. Copies of audited financial statements, as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 for PAC 1;
5. Copies of redacted audited financial statements, as at and for the financial years ended December 31, 2020, December 31, 2019 and December 31, 2018 for PAC 4;
6. Copies of redacted audited financial statements, as at and for the financial years ended December 31, 2020, December 31, 2019 and December 31, 2018 for PAC 5;
7. Copies of the annual reports of PNB Housing Finance Limited for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 and the audited consolidated financial results as at and for the year ended March 31, 2021;
8. Copy of the Open Offer Escrow Agreement dated May 31, 2021 between the Acquirer, the Manager and the Open Offer Escrow Agent;
9. Copy of the letter dated June 2, 2021 issued by the Open Offer Escrow Agent to the Manager confirming the receipt of Open Offer Escrow Amount in the Open Offer Escrow Account as per the provisions of the Open Offer Escrow Agreement;

10. Copy of the Bank Guarantee dated June 2, 2021 issued by The Hongkong and Shanghai Banking Corporation Limited for INR 3,604,515,790 (Indian Rupees three billion six hundred four million five hundred fifteen thousand seven hundred ninety only) in favour of the Manager to the Offer;
11. Copy of the Subscription Agreements;
12. Copy of the Public Announcement submitted to the Stock Exchanges on May 31, 2021;
13. Copy of the Detailed Public Statement published by the Manager on behalf of the Acquirer and the PACs on June 7, 2021;
14. Copy of the Offer Opening Public Announcement to be published by the Manager on behalf of the Acquirer and the PACs on [●];
15. Copy of the published recommendation made by the committee of independent directors of the Target Company in relation to the Offer;
16. Copy of the SEBI observation letter no. [●] dated [●] on the Draft Letter of Offer; and
17. Copy of the memorandum of understanding entered between the Acquirer and the Registrar to the Offer.

X. DECLARATION BY THE ACQUIRER AND THE PACS

1. The Acquirer, the PACs and their respective directors/managers (as applicable) accept full responsibility for the information contained in this DLoF (other than such information as has been obtained from public sources or provided or relating to and confirmed by the Target Company), and undertake that they are aware of and will jointly and severally comply with and fulfil their obligations under the SEBI (SAST) Regulations.
2. The information pertaining to the Target Company contained in the PA or the DPS or DLoF or the Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company, as the case may be, or publicly available sources which has not been independently verified by the Acquirer or the PACs or the Manager. The Acquirer, the PACs and the Manager do not accept any responsibility with respect to the information provided by the Target Company.
3. The persons signing this Draft Letter of Offer, are duly and legally authorized by the Acquirer and the PACs, as applicable, to sign this Draft Letter of Offer.

For and on behalf of the Acquirer and the PACs

Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	PAC 5
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Authorised Signatory Pluto Investments S. à r.l.	Authorised Signatory Salisbury Investments Private Limited	Authorised Signatory Carlyle Asia Partners IV, S.C.Sp.	Authorised Signatory Carlyle Asia Partners V, S.C.Sp.	Authorised Signatory Quality Investment Holdings	Authorised Signatory CAP IV AIV Mauritius Limited

Place: Mumbai

Date: June 14, 2021